Saturday Night

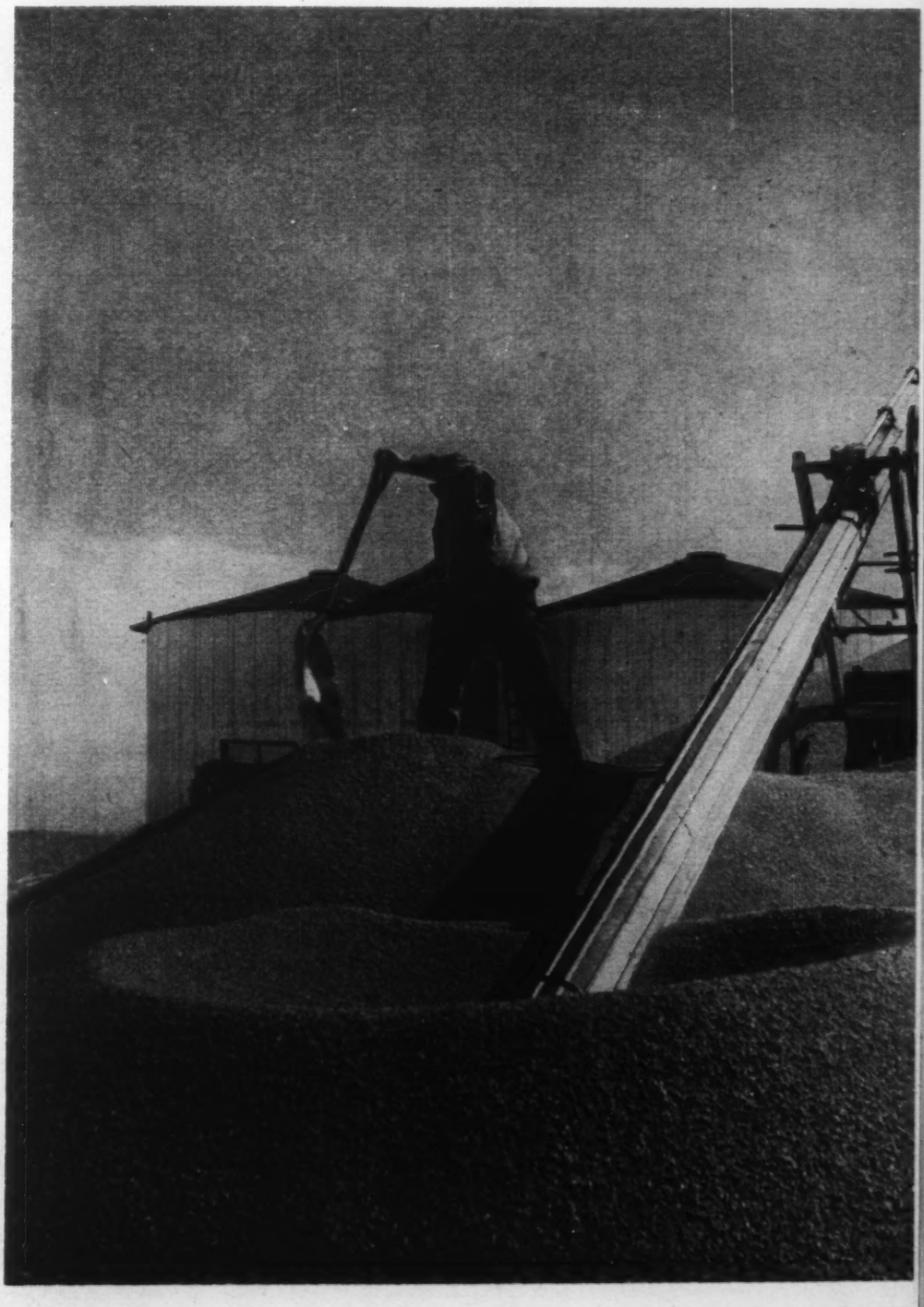
Canada's Magazine of Business and Contemporary Affairs

AUGUST 15TH 1959 20 CENTS

The New Canadian West

Poland: Satellite Still In Orbit

NRC: Free Help For Small Business



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INSIDE STORY

The West has always provided a lively ferment for the bubbling Canadian political and economic pot; today it is feeling the force of its contribution as never before. An entire region is becoming oriented away from the East in travel, trade and growing self-sufficiency. And it means, through a new spirit of autonomy, to make its potency known to the rest of Canada. For an expert examination of the many facets of "The New Canadian West" by **Miriam Chapin,** see Page 7.

The Poles, as the world knows, have little love for either Germans or Russians. What is the situation of their unhappy country today, tied firmly by economic strings to the Soviets and the satellites? **John Harbron** visited Poland this year and gives a first-hand report in "No Revolution Today, Thank You" on Page 10.

What influence, if any, can **Howard Green,** Canada's new Secretary of State for External Affairs, have upon the destiny of this nation? **Maxwell Cohen,** on Page 12, examines the forces at work, the intermingling of domestic and foreign affairs, and the areas currently open to specific Canadian action.

The last session of Parliament was not a particularly happy one for **John Diefenbaker** or his Government. Both he and a number of his Ministers were insufficiently agile to avoid foot-in-the-mouth blunders; on the positive side, little was accomplished and popularity throughout the country dwindled. "The Tories Need a Tonic" reports **Edwin Copps** from Ottawa on Page 16 in a skilled analysis of what was—and was not—done.

Small Canadian business has available to it—without cost—a research organization of size and scope which no private industry, however big, could equal. It is the Technical Information Services of the National Research Council. Yet small business seems strangely uninterested in using this key aid to modern competition. **Ron Kenyon** tells the story on Page 18.

C. J. Franklin blithely dismissed the alleged connection between rising wages and rising prices in the last issue. Why then do prices continue to rise? On Page 20 he examines three principal factors: the chief of these, he maintains, is the corporate policy of "Administered Prices—The Villain of Inflation".

Letters

Socialism in Sweden

It was with considerable interest that I read the article by Robson Black on Socialism in Sweden [SN, July 18].

However, there are one or two points which were missing from the article which I would like to stress.

The role of the co-operative movement has been much more dynamic in Swedish society than your contributor suggests. For example when the "Luma" plant opened in the 1930's the price of lamp bulbs fell over 25%, an example of co-operative trust busting which I wish we could follow in Canada. With one in four Swedes a co-operative member, and with 25% of food distribution in Co-op hands, the industrial worker has used the Co-op as a real weapon to maintain the purchasing power of his wages.

Another point is that the Labor Movement has sought and obtained the best system of social security in the world, most of it from the Social-Democrats since they came to power in 1934. These include a comprehensive National Health Service, subsidized housing, a compulsory state "portable" pension plan, three weeks' annual vacation by law, and many things too numerous to list here. With this type of legislation the unions can well afford to be more moderate in their collective bargaining demands.

Finally, I would like to refer to the implications about racketeering contained in the article. The reason why the Swedish Labor Movement is free of racketeering is that practically 100% of its leadership, including Arne Geijer, are life-long Socialists. This means that they have a high standard of morality and social responsibility which is based on principles which are shared by democratic socialists the world over. Sweden is indeed an example to Canada in more senses than one.

DON MILLS, ONT. FRANCIS K. EADY

Reason vs. Price

Concerning your comment entitled The Bread Bill, [SN, July 18] permit me to give my reactions:

1. As a consumer I, too, object to Mr. Gibbings' proposal to further increase the price of bread by 1.5 cents per pound;

2. I do not agree that it is based on "reasoning of the most curious nature". If, in fact, the price of bread has risen 108.5 percent during the same period in which the price of wheat has declined 21 percent, I see nothing curious about the farmer's desire to get in on a good thing;

3. Your use of the phrase "merely to give the western farmer an additional 14 cents per bushel" implies that the farmer has no reason (other than avarice) to want more for his wheat. What the farmer probably is thinking is, naturally enough, that avarice should not be the prerogative only of those who follow after him in the progression of "wheat to bread";

4. Would "Canada's Magazine of Business and Contemporary Affairs" care to explore this matter further in the hope of enlightening those of us who, like the farmer, employ simple arithmetic rather than reasoning—curious or otherwise?

MONTREAL J. R. MARWICK

The Rebel View

I have only recently had the chance to read your "Comment of the Day" [SN June 6] referring to the Algerian question and to my own remarks in Toronto before the Canadian Institute of International Affairs.

The seriousness of your magazine and the total objectivity with which you approach political issues leads me to comment on some of your remarks.

I understand that your article is merely based on my talk to the members of the Institute. However, you seem to feel justified in writing that "when it comes to a political solution, Mr. Chanderli is much more vague". I must point out that, although I answered many questions during the meeting, no specific question was asked concerning the subject of a political solution. I would be more than pleased to answer questions from your magazine on this subject.

On the other hand, you affirm that in your view I see "the end of the revolution —an end brought about by the French and not by the rebels". I have no recollection of implying any such thing, and as far as the war goes, I am sending you the latest military news on the struggle in Algeria as reported by the *New York Times* during the period June 15-July 15. These reports, based only on French communiques, are a clear indication of the military situation in Algeria.

You also have me "admit" that the rebels are now losing ten soldiers to every French soldier put out of action. I said our losses were ten times heavier than the French losses. The casualties are mostly civilians who are victims of reprisals, strafings, bombings of large areas, etc. In fact, the losses of the Algerian Army of National Liberation itself are not that heavy because of the guerrilla tactics used.

I am sorry to see such a responsible magazine take the line of French official propaganda to the extent of stressing that "economically and militarily the rebels are beaten".

Finally, you state: "Their only weapon left is public opinion, hence Mr. Chanderli's presence at the United Nations, around the United States, and here in Canada." I should like to remind you that I have been here for the past three years, and that the Algerian Office is not at all a recent measure to impress public opinion. We have offices in nineteen countries and we would be happy to have permission sometime to have a regular permanent representative in Canada . . .

ALGERIAN OFFICE A. CHANDERLI
NEW YORK *Permanent Representative*
Algerian Front of National Liberation

Editor's Note: SATURDAY NIGHT*'s comment was based on a direct interview with Mr. Chanderli, not on Mr. Chanderli's address to the Canadian Institute of International Affairs.*

Cost of the CBC

There has been a high salaried staff of actors, producers, and operators built up in the CBC, and while it is quite in order to develop our own talent, it can become too expensive as in the case of the Arrow. All the employees I presume belong to the union, and demand top wages, even though they are not top artists. I think most people would prefer a good film to a poor live cast. There was considerable propaganda some time ago that we should give our own artists a chance, but now it seems unless you belong to the union you do not get a look in. In other words the union tries to block development of new talent.

The public generally has no idea what shows cost and may I suggest that after each show, the TV give us a flash of the approximate cost. It has been stated that a panellist on *Front Page Challenge* receives approximately $250 for each show. This is at the rate of $500 an hour for a guessing contest and having fun, without the slightest responsibility. If all the mem-

bers of the panel receive that money, then what should the Premier of Canada receive who has plenty of responsibilities. You can see the broadcasting people have lost all sense of proportion of values. In connection with this show, if it is going to be a kids game of guessing, why not have kids on the panel or at least a change, instead of forcing us to look at the same old faces every week. If other employees are paid with same disregard of values it is not surprising our costs are so high.

In the business world a man who is paid from $10,000 to $15,000 a year carries a great responsibility of making money for the company and checking expenses. This does not apply to the CBC . . . It certainly seems there is a flagrant disregard for expenses and as they are not called upon to make a profit nobody cares. I certainly think the Government should set the limit at about half the $90 million mentioned.

WINNIPEG F. H. HANCOCK

Functionalism

The public may have been shocked, as your writer suggests, by the bad taste and over-ornamentation displayed in the Crystal Palace Exhibition of 1851. But it's a safe bet it will be just as badly upset fifty years from now by the sterility and monotony of so-called functional design.

Nature, thank God, isn't functional, and I should hate to think how a mountain or a dandelion or a penguin or armadillo or hippopotamus would have turned out if the Scandinavian School had had a hand in their design. The Art Nouveau boys would certainly never have stood for the "fussy superfluity" of that extra hump on the camel.

Incidentally, where does functionalism come in in our age of streamlined doorstops, tea-kettles, bookends, etc., not to mention our fin-trimmed churches? They going some place?

MONTREAL MARY SYMES

In the Closet?

Probably the most functional design ever created is the human skeleton. But who wants to keep one around?

CHATHAM W. L. SOMERS

Royalty & Nationalism

Your correspondent's suggestion, "Fixed Royal Visits" is the logical answer to the question. Unfortunately it will not satisfy a vociferous group that can no longer be ignored.

While Queen Elizabeth drew an enthusiastic press during the royal tour, the tour itself drew a very dubious one. On the other hand the royal visitors were welcomed without reserve in Chicago. The explanation seems unavoidable.

A strong sense of nationalism has developed in this country and with it the feeling in some quarters that the Monarchical institution is outgrown. While most Canadians, like most Americans, are prepared to welcome Royalty as a guest they are unwilling to accept it *in loco parentis.*

WINNIPEG SVEN HERDBLOM

Home Free

Many thanks for your admirable clarification of the Government's new book banning regulations. At least we can be grateful that *Lolita* and *Lady Chatterley's Lover* got under the wire before our reading choices came under dictation of some local magistrate in Quebec.

LONDON SHIRLEY WILLIAMS

Holy Orders

"It looks as though the standards of the authoritarian Roman Catholic Church in Quebec may indirectly control the reading of every Canadian of whatever religion, wherever he may happen to live".

If this is the case, the Roman Catholic cure could easily be worse than the disease.

TORONTO PERCY BRENNAN

Size and Brand

Your correspondent, in his Nassau Letter (SN July 18) states that New Providence is the biggest island in the Bahamas. This reader suggests that there are at least nine larger islands.

The name "British" Bahamas is also subject to question. What is the other brand of Bahamas?

BURNABY, B.C. M. HURST

Or Atomic Fallout?

If wage increases don't cause price increases ("The Myth of the Wage-Price Spiral") and if price-increase isn't related to either wage-increase or productivity increase, then how do you account for our peculiar and persistent economic weather? Maybe we'll have to fall back on that old standby, spots on the sun.

TORONTO P. D. PERSONS

Grass Roots

Re "The United Search of Canada": No need to hold a conference to discover and define the "typical Canadian". He's the guy who goes about reflecting on Canadian culture and occasionally digging it up by the roots to see how it is coming along and why it isn't doing better. He may even be the author of "The United Search of Canada".

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Comment of the Day

Thaw at the Summit

WITH MR. DULLES DEAD, President Eisenhower has taken a step which he never could have dared with Mr. Dulles living. It was an axiom with Mr. Dulles that foreign policy was a matter for the expert, not for the enthusiastic and powerful amateur. With the sorry mess of Yalta and Potsdam as an example, perhaps Mr. Dulles was, in a sense, right.

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What will this mean? First, it can do nothing but good for a man so shrewd and intelligent as Mr. Khrushchev to get a look at America at first hand. It might even be that facts will make him discard his theories, and make him press for more enlightment. Then a person like Mr. Mikoyan will not have to blur his report because he thinks the truth will make him seem a deviationist. He is reported to have confessed recently that, although on his tour he personally thought all U.S. businessmen were against a war, his dogma made him report that only some were.

Secondly, the initiative taken by the president in inviting Mr. K. shows a more tractable state department than has previously been the case. It was all too easy for the Communists to pervert Mr. Dulles' firm line into a reactionary intransigence which made India and other uncommitted nations less than enthusiastic for the western cause. It now must seem, even to the most anti-colonial Asian fanatic, that the United States is not the hard, warlike bully-boy which it has been depicted by Russia and, more tellingly, by China.

Thirdly, this summit shows clearly that the world and its fate is in the hands of two great powers only. The fiction of the Big Four is discarded (despite France's emerging membership in the nuclear club) and even Britain's place in a Big Three is seriously challenged. Britain is aware of this, and perhaps it is the gradual hardening against the use of nuclear weapons amongst the millions of Britain's trade-unionists which makes Mr. Macmillan so gracious in urging Mr. Eisenhower on.

Finally, the talks may even achieve some diplomatic concessions which can be exploited later by the experts. That the experts will be consulted constantly, and that the allied nations of the west will have a voice, has been made clear all along.

The single most important aspect for Canada in this matter is the emergence of the Super Two, instead of the Big Three. This very fact will perhaps bring Britain more into line with the idea of the Commonwealth as a third political force. With Canada so neatly poised between Britain and the United States, with India poised between Communist Asia and the capitalist west, and with Britain's lessening emphasis on nuclear preparedness (the growth even of the non-nuclear club idea amongst the Labour party) the Commonwealth could become tremendously important within the United Nations. Canada should lead the way towards that dominant position for it is her lead which many would be glad to follow.

Queen and Commoner

BY THE TIME the Royal Tour came to its foggy end at the beginning of this month the most jaded members of the party were not the Queen or Prince Philip but the press contingent from the United Kingdom. Most Canadian correspondents agreed that these were about as vinegary and whiny a bunch of scribes as ever got across this country for free. They did not like the accommodations, they did not like the arrangements, they did not like the way Canada treated the person whom they insultingly implied all too often was "their" Queen.

Much of what they said can be discounted as midsummer madness—easy to catch on a tour of this scale. But on one thing the record might well be set straight. One of their gripes was that the Queen did not meet the common man, the average Canadian. But how often does the Queen meet the common man in the British Isles? Were common men in evidence at the Coronation? Does the British working man get into the royal box at Ascot? How many people in England watch polo as a regular thing, much less play it?

When the Queen opens a hospital in London, does she meet the workmen who built it? She did meet the people who had built the Deas tunnel in British Columbia. When she goes to a ball in Britain does she go to the Hammersmith Palais? And when she goes to Balmoral does she meet any humble Scottish folk other than those who look after the place for her?

As to her private life in London, it is lived among palace advisors who resemble the average Englishman about as much as Vincent Massey resembles the run-of-the-mill Canadian Kiwanian. Her social contacts are with the aristocracy not all of whom, by any means, are running their stately homes as funfairs.

Her state business is transacted with a cabinet who are nearly all upper-crust men who have been able to live on established family fortunes while serving their careers and their fellow-countrymen at Westminister.

The Throne is a survival from an age when all men were created in degree, and in no way created equal. The person who occupies that throne can never be a commoner and can never meet with her subjects on any realistically common ground. And it is nobody's fault either here in Canada or in England. It is the fault and, be it said, the glory of the whole monarchial system.

BC's Raft of Nothing

SOCIAL CREDIT has always been known, except by Social Crediters, as the "funny money" party. The antics of the British Columbia government at Kelowna on August 1 did nothing towards reducing that view. For on that day, with mock Viking ceremonies, Premier Bennett applied the torch to a raft-load of cancelled government bonds and declared his province free of direct debt.

Mr. Bennett was literally correct in saying this. The direct debt of $119 million which his party inherited when they took power seven years ago is now retired. But the contingent liabilities in that time have risen from less than $50 million to nearly $500 million. These contingent liabilities include over $86 million worth of school construction, and over $66 million worth of guarantees to the toll highways and bridges authority.

The best method of financing an expanding province is not easily agreed upon. Some provinces do it by borrowing, some by heavy taxation, most by a mixture of both. British Columbia taxes its people heavily (there is a five percent provincial sales tax) and then makes separate bodies (including school boards) borrow sufficient sums for local construction with the debt guaranteed by the provincial government.

There can be no real quarrel with this procedure. But what one does quarrel with is the political arrogance and cynicism which puts on a government-sponsored whoop-de-doo to burn the direct debt bonds as if the whole fantastic growth of British Columbia were being paid for by pie in the sky. Whether the electorate will see the ceremony for the hollow fraud that it was, or whether they will believe in it, only the next election will tell. And since the pub-

licity for the stunt was enormous and country-wide, that election may prove once again that circuses are as important as bread in governing a country.

The Disease Is Spreading

THE FIRST TEST of a French nuclear bomb, on the Regane Range in the Sahara desert, can now be only weeks or perhaps days away. It will be a very melancholy occasion. For it makes pretty well inevitable the spread of the ownership of nuclear weapons to more and more nations and in due course, they will doubtless come into the hands of some wholly irresponsible government. And then heaven help us.

That the nuclear club is about to be extended again is the fault of the United States as much as of the Soviet Union, and of Great Britain more than of either of the two behemoths. The threat of Soviet aggression has led the United States to arm feverishly with a wide variety of nuclear weapons. And the fact that it has provided itself with this nuclear arsenal, in the process neglecting its conventional armaments, has made her leaders reluctant to enter into agreements which would ban nuclear weapons only. For it is true to say that the United States has stalled on nuclear disarmament as much as the Soviet Union has.

Great Britain, by its insistence of having nuclear weapons of its own, made the extension of the nuclear club inevitable. Other powers might have accepted an American and Russian monopoly on nuclear arms. These are the two leading contenders for world domination and their struggle is isolated to some degree from the more modest problems of the rest of the world. But the British? Why should they have nuclear weapons and not we, the French, the Germans, the Chinese, and God knows who else? It is inescapable that the intrusion of Great Britain into the select nuclear club opened its lists to all comers.

The French say that what they will explode at Regane will be, for the beginning, only a friendly little weapon, merely something of the Hiroshima type. It will be only a small bang, one which would kill, as far as we know from what happened fourteen years ago, a paltry 100,000 people or so. But with a proper sense of proportion we can see what Nasser, or Castro, or even de Gaulle in Algeria could do with that. The prospect is a meloncholy one.

For Omission: Three Cents

A FRIEND VISITING from a foreign country found Canadian food varied and interesting. Her experiences with it were not, admittedly, in restaurants where the frying pan normally gets such a bad press from continental visitors. But she found that butter in this country was so salty that she could taste it (to her disgust) even through the marmalade at breakfast.

Her experience confirmed a suspicion of ours that Canadian butter seems to be getting saltier all the time. Is it that more salt is put in to preserve it when it lands, under price supports, in the government's large storage bins, or is it that saltier butter will make us all more thirsty and therefore predisposed to drink more milk with our meals?

This latter idea puts the dairy industry in a greedy light. But then so did the answer to our visitor's problem. When she went to buy unsalted butter at the supermarket, she found that it was three cents a pound dearer than salted butter. How can leaving out an ingredient make a substance cost more, she wanted to know? We, alas, could not think why either. (Can anyone?).

Corporate Romance

IF ALL GOES ACCORDING to plan, Massey-Ferguson Ltd. will become the world's largest manufacturer of farm tractors at the end of this month. The company's new eminence will result from its purchase of the tractor interests and assets of Standard Motor Co. Ltd. of England.

As SATURDAY NIGHT pointed out almost a year ago, the relationship between these two companies has constituted one of the strangest romances in Canadian corporate history. As long as five years ago it was obvious each was necessary to the other and that some form of merger must take place. Yet the association of the two has been marked by suspicion, charges of bad faith and failure to agree on elementary matters of consultation and planning.

Now, this is all so much past history and, as we said at the time, a stormy engagement often makes for a happy marriage.

A Statesman-like Job

HENRY G. NORMAN is president of the Montreal and Canadian stock exchanges. He is also becoming, virtually by default, a sort of "senior statesman" of Canadian finance.

Mr. Norman started some time ago by telling anyone who would listen about the advantages of Canadian securities, particularly equity securities.

Now, Mr. Norman has taken on a more difficult chore: to sell Canadians on investing in Canada. The people Mr. Norman is after are, in his own words, "people on salaries, or following a profession, or running a home, or operating a farm or personal business. They enjoy average incomes. They are not 'experts' in the stock market."

This description fits a great many Canadians. And a great many Canadians investing in sound equities in a planned program is a prerequisite for the sound future growth of this country.

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When the Queen opens a hospital in London, does she meet the workmen who built it? She did meet the people who had built the Deas tunnel in British Columbia. When she goes to a ball in Britain does she go to the Hammersmith Palais? And when she goes to Balmoral does she meet any humble Scottish folk other than those who look after the place for her?

As to her private life in London, it is lived among palace advisors who resemble the average Englishman about as much as Vincent Massey resembles the run-of-the-mill Canadian Kiwanian. Her social contacts are with the aristocracy not all of whom, by any means, are running their stately homes as funfairs.

Her state business is transacted with a cabinet who are nearly all upper-crust men who have been able to live on established family fortunes while serving their careers and their fellow-countrymen at Westminister.

The Throne is a survival from an age when all men were created in degree, and in no way created equal. The person who occupies that throne can never be a commoner and can never meet with her subjects on any realistically common ground. And it is nobody's fault either here in Canada or in England. It is the fault and, be it said, the glory of the whole monarchial system.

BC's Raft of Nothing

SOCIAL CREDIT has always been known, except by Social Crediters, as the "funny money" party. The antics of the British Columbia government at Kelowna on August 1 did nothing towards reducing that view. For on that day, with mock Viking ceremonies, Premier Bennett applied the torch to a raft-load of cancelled government bonds and declared his province free of direct debt.

Mr. Bennett was literally correct in saying this. The direct debt of $119 million which his party inherited when they took power seven years ago is now retired. But the contingent liabilities in that time have risen from less than $50 million to nearly $500 million. These contingent liabilities include over $86 million worth of school construction, and over $66 million worth of guarantees to the toll highways and bridges authority.

The best method of financing an expanding province is not easily agreed upon. Some provinces do it by borrowing, some by heavy taxation, most by a mixture of both. British Columbia taxes its people heavily (there is a five percent provincial sales tax) and then makes separate bodies (including school boards) borrow sufficient sums for local construction with the debt guaranteed by the provincial government.

There can be no real quarrel with this procedure. But what one does quarrel with is the political arrogance and cynicism which puts on a government-sponsored whoop-de-doo to burn the direct debt bonds as if the whole fantastic growth of British Columbia were being paid for by pie in the sky. Whether the electorate will see the ceremony for the hollow fraud that it was, or whether they will believe in it, only the next election will tell. And since the pub-

licity for the stunt was enormous and country-wide, that election may prove once again that circuses are as important as bread in governing a country.

The Disease Is Spreading

THE FIRST TEST of a French nuclear bomb, on the Regane Range in the Sahara desert, can now be only weeks or perhaps days away. It will be a very melancholy occasion. For it makes pretty well inevitable the spread of the ownership of nuclear weapons to more and more nations and in due course, they will doubtless come into the hands of some wholly irresponsible government. And then heaven help us.

That the nuclear club is about to be extended again is the fault of the United States as much as of the Soviet Union, and of Great Britain more than of either of the two behemoths. The threat of Soviet aggression has led the United States to arm feverishly with a wide variety of nuclear weapons. And the fact that it has provided itself with this nuclear arsenal, in the process neglecting its conventional armaments, has made her leaders reluctant to enter into agreements which would ban nuclear weapons only. For it is true to say that the United States has stalled on nuclear disarmament as much as the Soviet Union has.

Great Britain, by its insistence of having nuclear weapons of its own, made the extension of the nuclear club inevitable. Other powers might have accepted an American and Russian monopoly on nuclear arms. These are the two leading contenders for world domination and their struggle is isolated to some degree from the more modest problems of the rest of the world. But the British? Why should they have nuclear weapons and not we, the French, the Germans, the Chinese, and God knows who else? It is inescapable that the intrusion of Great Britain into the select nuclear club opened its lists to all comers.

The French say that what they will explode at Regane will be, for the beginning, only a friendly little weapon, merely something of the Hiroshima type. It will be only a small bang, one which would kill, as far as we know from what happened fourteen years ago, a paltry 100,000 people or so. But with a proper sense of proportion we can see what Nasser, or Castro, or even de Gaulle in Algeria could do with that. The prospect is a meloncholy one.

For Omission: Three Cents

A FRIEND VISITING from a foreign country found Canadian food varied and interesting. Her experiences with it were not, admittedly, in restaurants where the frying pan normally gets such a bad press from continental visitors. But she found that butter in this country was so salty that she could taste it (to her disgust) even through the marmalade at breakfast.

Her experience confirmed a suspicion of ours that Canadian butter seems to be getting saltier all the time. Is it that more salt is put in to preserve it when it lands, under price supports, in the government's large storage bins, or is it that saltier butter will make us all more thirsty and therefore predisposed to drink more milk with our meals?

This latter idea puts the dairy industry in a greedy light. But then so did the answer to our visitor's problem. When she went to buy unsalted butter at the supermarket, she found that it was three cents a pound dearer than salted butter. How can leaving out an ingredient make a substance cost more, she wanted to know? We, alas, could not think why either. (Can anyone?).

Corporate Romance

IF ALL GOES ACCORDING to plan, Massey-Ferguson Ltd. will become the world's largest manufacturer of farm tractors at the end of this month. The company's new eminence will result from its purchase of the tractor interests and assets of Standard Motor Co. Ltd. of England.

As SATURDAY NIGHT pointed out almost a year ago, the relationship between these two companies has constituted one of the strangest romances in Canadian corporate history. As long as five years ago it was obvious each was necessary to the other and that some form of merger must take place. Yet the association of the two has been marked by suspicion, charges of bad faith and failure to agree on elementary matters of consultation and planning.

Now, this is all so much past history and, as we said at the time, a stormy engagement often makes for a happy marriage.

A Statesman-like Job

HENRY G. NORMAN is president of the Montreal and Canadian stock exchanges. He is also becoming, virtually by default, a sort of "senior statesman" of Canadian finance.

Mr. Norman started some time ago by telling anyone who would listen about the advantages of Canadian securities, particularly equity securities.

Now, Mr. Norman has taken on a more difficult chore: to sell Canadians on investing in Canada. The people Mr. Norman is after are, in his own words, "people on salaries, or following a profession, or running a home, or operating a farm or personal business. They enjoy average incomes. They are not 'experts' in the stock market."

This description fits a great many Canadians. And a great many Canadians investing in sound equities in a planned program is a prerequisite for the sound future growth of this country.

Perhaps the nicest Avis 'extra' is a little extra care

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Saturday Night

The New Canadian West

by Miriam Chapin

CANADIANS AND THEIR GOVERNMENTS have long since had to get used to Quebec's sometimes rather cocky insistence that it is a separate and autonomous nation within the state, that it is a member of a confederation and can act independently on many matters, treating with the federal authorities on equal terms. Now it looks as if another such autonomous region may be developing rapidly which would like to emulate Quebec within the Canadian state.

The half of Canada west of Winnipeg grows stronger every year in population and resources, more obstreperous in rebellion against Ottawa, more alienated from the French and English patterns of Canadian society. What was once the prairie preserve of Montreal and Toronto investors has become a robust industrial upstart no longer content with wheat raising alone. It reaches out across the North Pole, the Pacific Ocean, the American border, out through Hudson

Bay for trade and travel. These changes have been evident to all for some time. But now the political expression of the difficulties that accompany the changes has reached the shouting stage.

The present feeling of the West was dramatized for the Government and the rest of the country, (which being busy with other things has hardly realized how deep resentment goes), by the descent on Ottawa last March of a thousand prairie farmers, come to tell their rulers they are sick of being treated like stepchildren of Confederation. They brought a petition with 300,000 signatures, and they asked for $300 million in deficiency payments to make up part of the losses they have suffered in the past three years, through the low prices at which the Government was compelled to sell their grain and the rising costs of all they buy.

It takes 170 bushels of wheat to purchase what 100 would have bought ten years ago. The farmer cannot strike because he is tied to his land by his investment and mortgage. He can only demonstrate—and vote. These facts have been duly laid before the public by the press. But the wheat farmer suspects they have not penetrated the public mind as he would wish. He means to make them clear.

The march to Ottawa was organized by the wheat pools, the big co-operatives. They were prodded on by the Farmers' Unions of the provinces. A serious effort was made to preserve strict discipline in the approach to the Government. This was no rabble, but good citizens demanding what they believe to be their "rights". Some old men had been original settlers, men who have been mayors of their towns and provincial legislators. Some were "flying farmers," men who own several farms and commute by plane from one to another.

They got little satisfaction; they said they would be back, and they continue to send committees to talk with Government spokesmen. What is missing in the usual accounts of the procedure is the bitterness that breaks out, and which may preface some political action in time. On the homeward bound train the favorite story which trickled from car to car was told first by a man from Prince Albert, and has been adapted to many occasions since. "You know those Russians, how they brag, want to be ahead on everything. Said they'd transplanted the eye of a monkey to a man, and now he's out looking for work. Couldn't let 'em get away with that, so I told 'em we'd transplanted a great brain from Prince Albert to Ottawa, and now all of us are out looking for work."

Men were asking each other seriously—and at home are still asking—"What'll we do if Ottawa doesn't come through?"

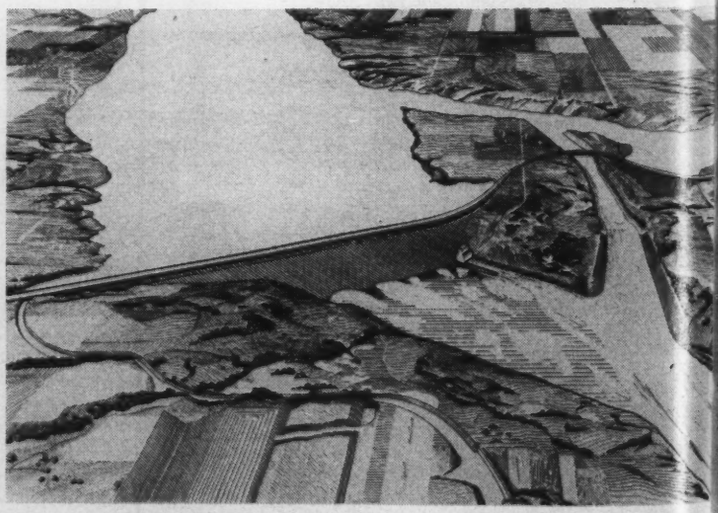
Again and again the angry answers rose, "We'll have to think about secession." Or, "We can ship our wheat through Churchill and let those fellows east go sailing on their Seaway." Or, "We've got to make our own machinery, quit buying anything from the East."

Obviously there is no organized movement for secession, nor even a general consideration of what it might mean. But the situation has altered since the days of drought and depression when the farmer was helpless. Then the revolt was wholly political. The maverick parties still govern Alberta and Saskatchewan, and have added BC, while Manitoba's Conservatives have seen fit to adopt some CCF policies. But now the farmers and the local merchants who depend on the prosperity of the farmers are gaining allies in industry. The solid industrial growth that is fast supplementing the grain economy gives weight to the pressure the West exercises. It can talk of autonomy without being absurd. Promoting local industry, freeing itself where it can from outside control, using air freight, opening new travel routes, exploring the northern regions for new minerals, the West is feeling its oats.

Oil and natural gas are more than materials for export. They are the bases for great manufactures. Winnipeg is more than a railway and meat packing centre. It is a big textile and garment-making city, with a lot of other secondary industry. Manitoba can use the cash from its new nickel mines for its ten-year program of industrialization. Some of the discrimination about which the West makes moan helps it—the hard way.

Cuts in American imports drive it to look for new markets. The hikes in freight rates which enrage the wheat growers act like a regional tariff wall behind which the prairies are compelled to build their own factories. Because these rates have almost doubled in ten years, Regina dreams of a steel industry square in the middle of a province barren of iron and coal. It won't need it, since the great iron and steel complex at Kimberley will be ready to supply girders to the West by the end of 1960.

Of course the Saskatchewan River dam is the part of the future to which the West looks for its biggest development. It is important not so much for the irrigation to grow crops that may be hard to sell, as for the kilowatt hours to stimulate industry. Saskatoon is one of the fastest growing cities in Canada. Regina wants its own stock exchange, so that its brokers can sell securities



The Saskatchewan River dam is important not so much for irrigation as for the kilowatt-hours to bring industry.

"Canada for Canadians" is a more attractive slogan than Diefenbaker's Commonwealth and resisting U.S. domination.

direct, now that the Province of Saskatchewan has made its deal with the U.S. Securities and Exchange Commission. Nowhere in North America do people look to the future with more excitement.

Manitoba's Churchill takes on new importance in this drive toward self-realization. Though the navigation season is only from July to October, icebreakers and iceberg patrols could stretch it considerably. British ships come in for grain, bringing shoes and bicycles and machinery. Even when ocean ships now reach the Lakehead, there is still that long, hard haul overland to the prairies. The bottleneck in the Churchill route is the meandering railroad from Winnipeg, needing a shorter route, better connections, more elevators. The farmers say a regional government of their own would have provided them long since.

Alaska's statehood opens up new opportunities for coastal trade, from which the prairies can profit as well as BC. The American ban on shipping from Canadian ports is now obsolete. The Russians buy wheat in Vancouver to provision Siberian cities, and as they grow, the prairies gain. The trade with Japan and Red China is like adrenalin to the west coast ports and the grainlands behind them—and they don't want interference from the East.

A westerner going by air to Europe no longer travels to Montreal. He saves a thousand miles by taking the polar route from Vancouver. Swedish planes now going that way may fuel in Edmonton but not take on or discharge passengers. The West with its autonomy would soon fix that hindrance. The well-to-do who live beyond Winnipeg have forgotten the south—they holiday by plane in Hawaii.

Here is rising a new community, neither English nor French, but simply Canadian. Not yet fully conscious of its strength or purpose, it shows clearly one direction, its loyalty to Canada. The Crown means little to these prairie folk. They know little of England, practically nothing of France. What they want is their share in Canada. The Ukrainians, Finns, Germans, Swedes, Italians, Hungarians, and all the rest, in another generation will have swamped the old Scotch-English bosses and the tightly knit French Canadian districts.

Fewer than a third of the million and a half people who have entered Canada since the war are of British stock. More than half the Europeans reach the West. The American immigration law which classifies people under the quota of the country where they were born helps ensure that the foreign born stay in Canada. A Pole is still a Pole in American eyes though he may have lived almost all his life in Canada—if he was born in Poland. In seven years the number of Canadians of British origin has dropped four per cent.

In the West the old English-speaking families try to look down on the new people, but it doesn't work. They make their way in politics and the professions. The Ukrainians mayors of Edmonton and Winnipeg are proof. Indeed Steve Juba found it advisable in his early campaigns to polish up his Ukrainian, forgotten since childhood. It paid off, as it pays off for others in the western legislatures. Ukrainians occasionally express resentment that Michael Starr, the Federal Labor Minister, sheared the Slavic ending from his name. "If he'd come from Manitoba," they say, "he'd have known better than that."

The most famous plant breeder in Canada is a Ukrainian, and some of its best painters. Icelanders maintain a library and school of Icelandic studies at the University of Manitoba; other national groups make their contributions. But they are not separatists, except as separatism has been forced on them. They melt into Canadian life and change it as they merge.

Even the religious communities whose exclusiveness rouses antagonism among their neighbors, such as the Hutterites and Mennonites, do let down their bars as time goes on. A few of the young men shave their beards, which in the West are not a sign of being "beat" and leave the community to look for jobs. Older ones may change. A bright young automobile salesman had long besieged the pastor of a Mennonite village, to no avail. One day he cornered the black garbed minister in his garden. "Look, Father," he said, "looks to me you

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Busy Winnipeg is now more than a railway and meat packing city. It has become a large secondary industry centre.

The east-west throughway in Warsaw clearly depicts both the comeback of the Polish capital and some of the problems it still faces. While overcrowded streetcars disgorge passengers, horse-drawn carts, left, ride side-by-side with cars, trucks.

Poland: No Revolution Today, Thank You

by John D. Harbron

TODAY, THE PEOPLE'S REPUBLIC of Poland, struggling to keep a balance between her neighbors, while still recovering from World War II, is full of bitter, cynical jokes. Almost all these relate to Poland's uncertain status. One of the best-known in this presently Soviet-oriented nation tells of two shabby Warsaw citizens walking along the still ruin-spattered Ulica Marszalkowska, one of the city's major postwar broad avenues. They are discussing the immense and detested Soviet Palace of Culture which borders on it, a structure dedicated to Stalin and which dominates the entire horizon of the Polish capital.

Says the first citizen "You know, Tadeusz, Poland is a happy country, isn't it?" The second, taken by complete surprise asks him what he means. "Well," says the first again, eyeing the vast marble pile, then the 15-year-old ruins around it, "the Russians came to us as friends. Think what it would have been like if they had come as enemies!"

Lofty Palace of Culture built by Russians in memory of Stalin overlooks crumbling war ruins yet to be rebuilt.

This type of gray humor, dispensed with typical Slavic undertones, is the Polish man-in-the-street's way of reacting to the frustration in which his country finds itself at the mid-point of 1959, the fourteenth year of "People's Poland" under Communism and the twentieth year since Nazi Germany began World War Two by attacking the Polish Corridor in September, 1939. To Poland, it meant the most destructive occupation the Third Reich imposed on any conquered race between 1939 and 1944.

Poland's dilemma in 1959, as in 1939—and for that matter in 1919—when the short-lived pre-war Polish Republic came to life, is still its bad geography. Placed between the Germans on the Western frontier and the Russians on the East, with few firm geographical boundaries on either side to set off the Polish race from them, the country puts up with the best and the worst of its two powerful neighbors. In the past 150 years, Germany and Russia have indiscriminately used Poland as a battleground for their struggles to control Eastern Europe.

Certainly, this Polish dilemma is sharper now than it has ever been, made more pronounced by the unbelievable catastrophes of the last two decades.

While the Poles harbor a traditional dislike for the Russians—a dislike which flared into open revolt in the 1860's during the days of Czarist rule—they still carry a chronic hatred of the Germans. Travel anywhere in Poland, as I did this Spring, and the ruins, after 15 years, are still everywhere. In Warsaw, semi-wrecked

buildings which somehow escaped the systematic, block-by-block destruction of the city by the Wehrmacht in 1944, often house today's unhappy citizens, many of them still close to the memories of the now far-off World War II.

Nor have the Poles the same satisfaction of seeing a chastened and reduced Germany as they did in 1919. To many Poles, insult and injury are wrapped up in one package by the existence of Communist Germany, the "sister" German Democratic Republic, with which, outwardly at least, Poland must maintain "brotherly affinity in the socialist orbit."

Beyond East Germany lies the nascent, confident Bonn Republic, full of exiles from the former eastern provinces of pre-1939 Germany, provinces which lie beyond the Oder and Neisse Rivers and which today are Polish. These were assigned to Poland by a joint agreement at the Potsdam Conference in June 1945 until such time as a peace treaty with Germany should be signed. Though these provinces (typically called "Redeemed Territories" by the Poles but "Lost Territories" by the Germans), are now integrated into postwar Poland, there are many re-allocated Polish settlers in the area who receive upsetting missives from the German side. These are letters from mysterious, distant former German residents in both East and West Germany advising the newcomers to "take good care of my farm, because I shall be back to claim it some day."

But Poland sees these provinces as those parts of pre-war Germany from which the centuries-old land-owning and Junker classes produced the military cadres of Germany's armies and as the birthplace of Polish-German hatred. From there, in 1939, came the German armies and extermination-bent S.S. battalions who, between them, almost wiped out Polish civilization between 1939 and 1944. Today, Warsaw, is the only European capital left in which the now-forgotten marks of German ruthlessness can still be seen.

Polish shipyards like this one at Danzig have built nearly 500,000 tons of merchant shipping since the end of the war.

In 1959, however, it is the Russian and Communism, not the German and Nazism, who dominate Poland. Paradoxically, since the easing of Soviet direct controls over Polish national life, the tourist will look hard, but see no Russians anywhere. Even at the Gdansk (Danzig) shipyard, the largest shipyard in Eastern Europe and where 60% of the merchant ship output goes to the USSR, I saw only one Russian official, the resident ship-building overseer.

And yet I feel strongly that, despite heavy emphasis in the West on Poland's "freedom" under Communism, on the wider scope now available to the Polish intellectual, scholar and even the small store-keepers whose shops now line Warsaw streets, Poland has already drawn closer to the Soviet industrial orbit than we realize.

The simple fact is that the Soviet military occupation of Poland, which began in late 1944 before World War II had ended, was followed by the rigid, Stalinist policy of rebuilding the country's economy almost entirely in the direction of Russia's heavy industrial needs between

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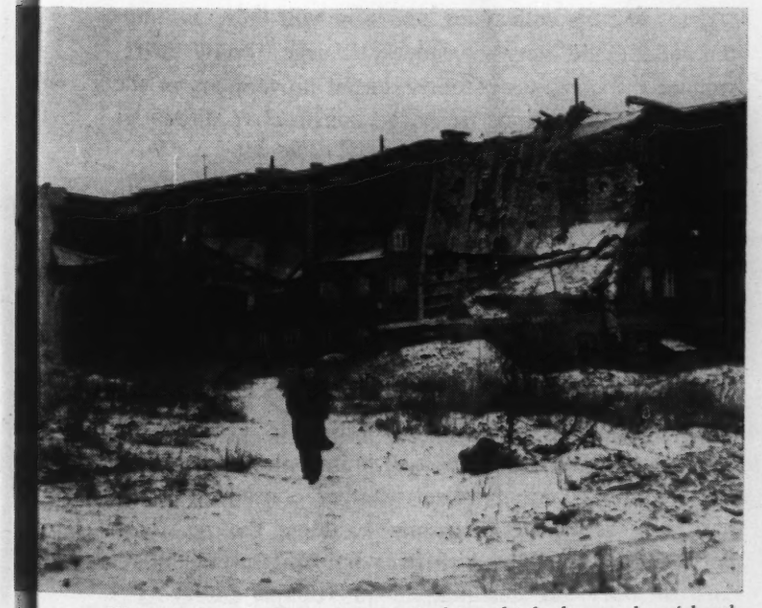


Warsaw is only European capital in which the marks of battle damage can still be seen. Row of flats is still uninhabitable.

Open-air street markets operate as free trade shops in Warsaw, sell everything from nail polish to scotch whisky.

HOWARD GREEN

And the Direction of Canadian Foreign Policy

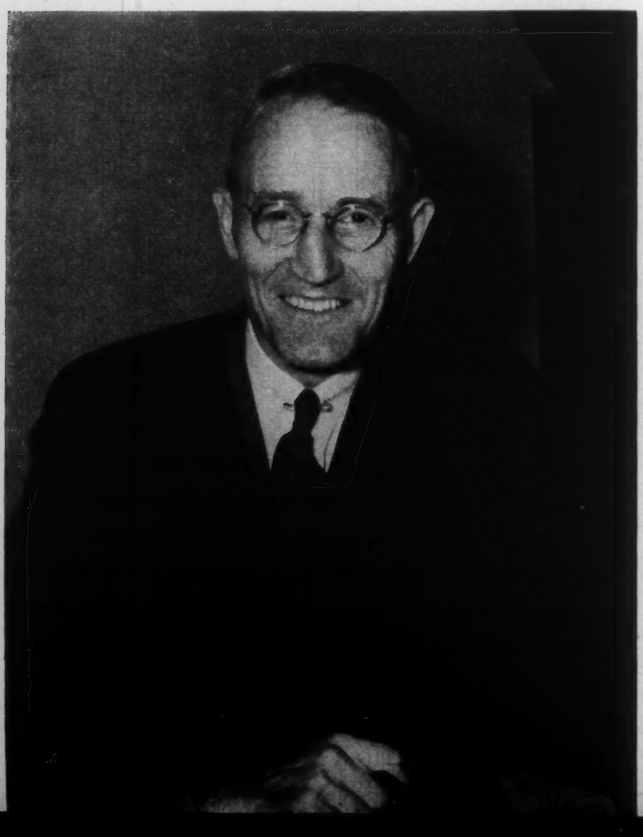
by Maxwell Cohen

WITH HOWARD GREEN'S appointment as Secretary of State for External Affairs there is now presented an opportunity for a more orderly reappraisal of the direction of Canadian foreign policy, and the effectiveness of the Department of External Affairs itself, than has been possible since Mr. Diefenbaker's administration took office.

A number of factors have combined to delay this orderly reassessment. It will be remembered that in the first months of his administration Mr. Diefenbaker was his own Secretary of State and, then, for the better part of a year and a half the late Sydney Smith, a gallant and jovial educator, learned the hard way the tactics of the House and the details of his Ministry, with little chance for fresh, creative studies before tragedy struck.

Of course the present Prime Minister—perhaps more than Mr. King in relation to Mr. St. Laurent or Mr. St. Laurent in his links with Mr. Pearson—seems particularly involved with the affairs of this portfolio. Perhaps this is the case because he has had a longer and larger experience with our international relations than anyone else in the Cabinet.

In a sense, of course, these relations are Mr. Diefenbaker's responsibility. For in a day when foreign policy no longer occupies its exotic, distant place in the affairs of state but hits home with the directness of an atomic explosion at one extreme or interference with trade at the other, no leader of a Government can avoid participating directly in foreign relations. Defence, trade and investment, continental resources, the problems of NATO, the UN and the Commonwealth, all provide the most intensive and continuing inter-meshing of the domestic and the external so that national and foreign policy are in many aspects merely two sides of the same coin—namely, maintaining secure and viable societies in the context of very fluid, sometimes dangerous and always interacting national and international situations.



House leader and Diefenbaker's right hand, Howard Green is one of the best liked and most respected front benchers.

In Howard Green we are about to see a possibly different kind of leadership, and perhaps too, even a marked change in the degree of direct participation henceforth to be taken by the Prime Minister himself in the details of policy and in the debates about such questions in the House and in the country. For Mr. Green is not merely the Prime Minister's right hand in the "inner circle" of the Cabinet but he is House leader and in many ways one of the best liked and most respected of the Conservative front benchers. There is a laconic, "Yankee" quality to his manner and his deflating wit, while there is no doubt about the integrity and fairness with which he has conducted the affairs of the Department of Public Works and the business of the House as Leader.

Yet the question remains to be asked: what are the underlying assumptions about Canada in the world that are held by Mr. Green or that he shares with the Prime Minister and his colleagues, and how will these assumptions affect the very considerable urge today to re-examine the compass of our external movements in the hope of providing some fresh and constructive directions for the Canadian role?

Obviously Mr. Green inherits a going concern with the major presuppositions of our policy determined by our history, geography and the accidents of accumulated events. The scope available to even the most experienced and creative Minister in reformulating Canadian foreign policy in any fundamental way is necessarily bound to be limited.

There are two ways of attempting to estimate the effect of Mr. Green's character, philosophy and personality in any such reappraisal whether conscious or less than fully deliberate. One may examine the record of the positions taken by him over the long stretch of his Parliamentary life on matters of foreign policy. For he, along with Mr. Diefenbaker and the late Gordon

Graydon, and occasionally Mr. Drew, were the main spokesmen on external affairs for the Conservatives when they were in Opposition. Mr. Green's record should be studied, not because a man now having the responsibility of government ought to be held accountable for the excesses of his Parliamentary outbursts when in Opposition, but because these frantic phrases of yesterday may give some hint as to the type of issue and situation to which he responded, with more or less vigor, at a time when he had the freedom of organised "irresponsibility" that is so characteristic of much Opposition talk.

This is not the place, however, to do an exhaustive indexing of the paragraphs in Hansard where Mr. Green made pronouncements on foreign policy. It is, however, my view that he tended to occasional extremes, particularly during the 1956 Suez crisis. But these remarks perhaps ought to be understood in the light of the general heat of the time and the predilection for strong

Washington's increased interest in the International Court of Justice is another area for Canadian policy.

language that had already begun to dominate proceedings in the House as the Opposition smelt blood and the long day of Liberal supremacy was coming to an end.

The plain truth is that Mr. Green probably had no real opportunities in a busy Parliamentary life to formulate a philosophy of Canada in the world other than the working, inarticulate assumptions shared by many within his party and outside. And these assumptions differed from the Liberals in emphasis, in nuance but not seriously in fundamentals. A traditional Conservative affection for, and belief in, the Empire-Commonwealth had tended to attract more verbal support from them than the hard realism of Liberals in office frequently allowed them in discussing Commonwealth affairs. The Conservatives too, before they became inhibited by responsibility, could say harsh things about the variety of issues bedevilling Canadian-United States relations. Mr. Green was particularly aware of these Pacific Northwest questions which, while he was in Opposition, were still unsettled: Columbia River power, the export of natural gas and petroleum, and possibly the stability of the United States markets for Canadian cattle, base metals and other of our primary products that were either wholly or partly Western in origin. His was not an anti-American bias so much as the acute concern for our increasingly involved future with the United States.

In NATO there is scope for more economic co-operation as free-trading plans grow.

On Germany, the UN, NATO, North American defence and the Middle East and Latin American regions it would be difficult to suggest that Mr. Green had paid any singular attention to these matters other than to give them the limited focus they may have required in the course of debate as individual issues arose.

This leads to the second approach to anticipating the effect of his Ministry. Here we are concerned with those great matters that are "fixed" by their very nature and where the shaping of "destiny" by one man or one Government is likely to be marginal except for the accidents of a great opportunity. For the determining elements in Canadian foreign policy are those features of our time and our "place" over which few of us have any real or any effective control. Viewing the matter analytically it may be said that there are seven or eight areas into which most of our external problems fall: North American continental questions, including defence, trade and investment; Canada and the Commonwealth; Canada and the United Nations; Canada and NATO; Canada and the Middle Eastern and Far Eastern questions; Canada and international trade; and miscellaneous problems of direct or indirect interest including the Afro-Asian and Latin American peoples seeking to resume or to advance their place in history.

No subject of our external policy has had so much attention in recent months as the complex of issues that are expressed euphemistically by the term Canadian-United States problems. For here we enter, both in terms of history and geography, into the very deepest part of those international interests of direct and immediate concern to ourselves. I have on other occasions suggested that the rash of emerging Canadian-United States disputes is only a reflection of a new phase in our relations with the United States. For the first 125 years of the United States in its dealings with British North America, the main preoccupations were the exploring and carving out of a common continent—who gets what?—

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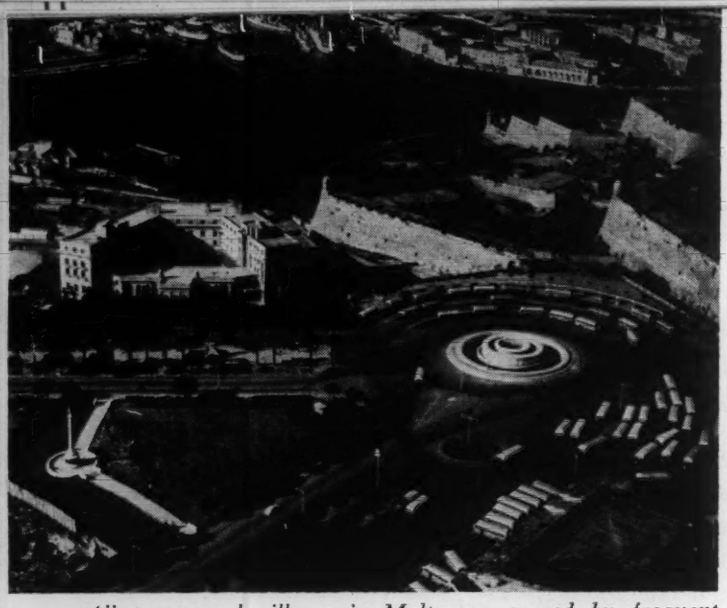


All towns and villages in Malta are served by frequent bus service. The Kingsgate bus terminus outside Valetta.

Old-world customs are still predominate in Malta. Woman at left wears the "faldetta". At right, hand-made Maltese lace.

Malta: Newest H

by John C. Pol

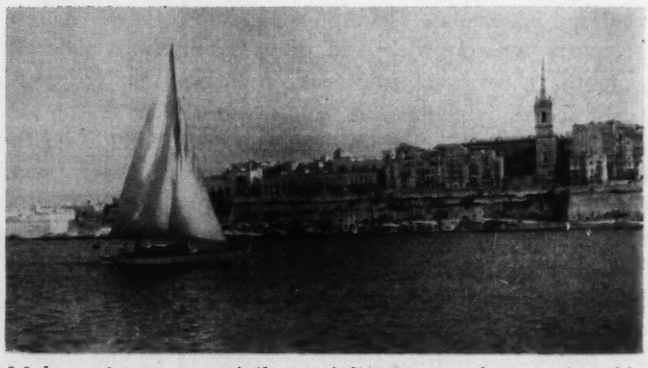
MALTA IS THE NEWEST place to go to for the visitor from North America.

The position of the Island could hardly lend itself better to the climatic variations of nearby mainlands. To its north, only sixty miles away, is the relatively cool heel of Italy and to its south, at a comfortable distance away is the hot Sahara. Because of its size, position, relief and the favorable prevailing winds, Malta has a climate that is particularly its own. It enjoys the rare privilege of living warmly and comfortably in round-the-year sunshine, its shores embraced by serene and glittering waters. The absence of dust, fog and smoke makes the air exceptionally clear and limpid, the horizon sharp and clear.

This island in the sun is only a few flight hours away from principal European cities, yet very remote from their noise and pushing crowds—a perfect haven for those who want to get away from northern winters and the crashing tempo of fast metropolises. Malta is the island home of a charming people always anxious to make the visitor's stay among them an unforgettable holiday—a holiday in the smallest of nations with the longest history in the world.

His Majesty King Edward VIII, now the Duke of Windsor, on the occasion of his opening of the Maltese Parliament, recalled that: "Malta has great memories." These words could easily apply to-day to the part played by Malta in the not too distant past. The island's achievements in World War II are summarized on two plaques flanking the main doorway of the majestic and historic Palace of the Grand Masters of the Order of St. John of Jerusalem, now the Official Residence of the Queen's representative, the Governor of Malta.

One of the plaques records the award of the George Cross to the people of Malta by King George VI "to bear witness to a Heroism and Devotion that will long be famous in History". The other is a recorded message, brought personally by President Franklin Roosevelt,



Malta enjoys rare privilege of living warmly, comfortably in year-round sunshine, its shores cooled by Mediterranean.

Valetta, Maltese capital, is a city of palaces, magnificent buildings and quaint streets carved from the island's rock.

t Holiday Land

E. Pollacco

conveying the sentiments of the people of the United States to the people of Malta in their hour of trial. The history of the island, however, goes far beyond what is written in books or recorded on plaques.

Tangible living evidence of Malta's ancient past and in sharp contrast with recent monuments of "yesterday's" glory, are the many caves and fissures on the Island that take back the visitor to the times when history was only recorded geologically. Ghar Dalam, the most important cave in Malta, is a veritable storehouse of fossil remains of long extinct giant animals and aquatic birds.

Thanks to the excellent climate, the forces of erosion have not played the havoc suffered by precious monuments on nearby mainlands. The megalithic culture (love for big things) which flourished between 2,000 and 1,500 B.C. is remarkably and uniquely preserved, making this "sacred island of the ancients" and archaeological gem. The several megalithic temples on the island, in many cases standing majestically against the background of modern cathedrals, are among the wonders of the world. The attraction of these prehistoric monuments is enhanced by the numerous remains of stone-idols, animal representations carved in relief, extensive collections of intact pottery, stone and flint instruments, decorated altars and screens, all reflecting the exquisite workmanship prevailing during this culture and envied by modern craftsmen.

Much of Malta's grandeur is, however, owed to the Knights of St. John of Jerusalem (1530-1798) recruited from the noble houses of Europe. Endowed with a cosmopolitan culture and acknowledged connoisseurs of art in all its forms, they enriched their Island principality with magnificent churches and stately buildings, fine paintings and sculptures, tapestries and furniture, gold and silver ware and one of the finest collections of

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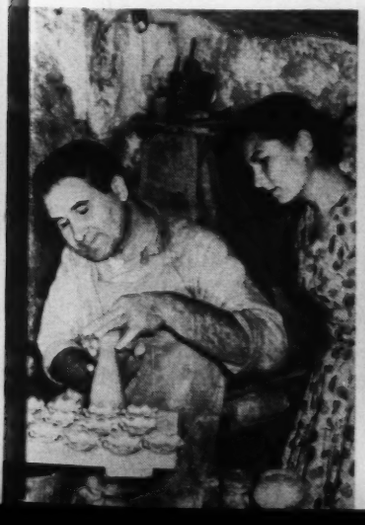
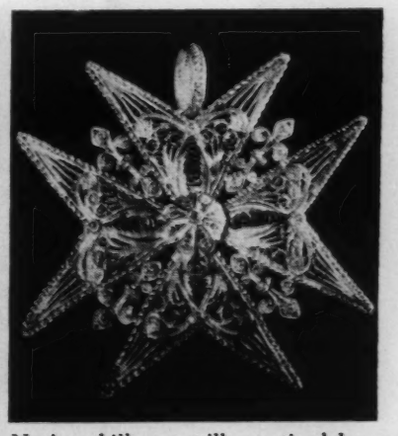
Megalithic Temple was built in 1500 B.C. It is only one of the many old buildings still in a fine state of preservation.

A typical country scene showing the terrace type cultivation. The island is easily accessible by air, sea and land routes.

Malta owes much of its grandeur to Knights of St. John of Jerusalem who came in 1530. Here is typical block of flats.





Native skills are still practised by residents. At left, a potter at work. At right, pendant brooch in gold and silver filigree.

The Session:

The Tories Need a Tonic

by Edwin Copps

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Bad luck and bad management combined to make the recent session a nightmare for the Tories. There was a succession of blunders and political misfortunes that undermined public confidence in the Diefenbaker leadership. And little—indeed almost nothing—was accomplished in the way of constructive legislation to offset this steady sapping of voter respect for the Tory regime.

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Striking example of how NRC can save money for small businessmen was demonstrated by Canadian clothing manufacturer who received for $20 the answer to a problem it had cost a Danish company $14,000 to solve.

NRC: Free Help for Small Business

by Ron Kenyon

WHEN IT COMES TO SAVING money, a lot of Canadian small businessmen just aren't interested. The proof is furnished by no less an authority than Canada's National Research Council.

Shortly after the end of the Second World War, NRC set up a special division known as Technical Information Services, for the express purpose of supplying small business with technical know-how. Today, many otherwise good businessmen continue to spend thousands of dollars for information TIS could provide them free of charge.

Nor can it be said that TIS has intentionally hidden its light under a bushel. When first set up it launched an advertising campaign. Result: eight replies. Of these, one person was trying to sell TIS office furniture.

Yet, some businessmen have used TIS profitably.

One Canadian clothing manufacturer, who was smart, asked TIS for help before he embarked on an expensive research operation to develop a new garment. The result: at a total cost of $20 TIS showed him that the Danish government had already invested $14,000 in just this problem and introduced him to a Danish company that could license him to manufacture just what he wanted.

On another occasion, a Canadian wine company had a problem to do with oxidation. TIS found the answer in French research and supplied it at no charge.

NRC and TIS are down-to-earth organizations whose principle purpose is to serve Canadian industry. NRC undertakes original research judged to be of national interest. In some cases it may take on work for private industry and split the costs.

From a huge, stone building on Sussex Street in Ottawa, NRC controls not only its own research but also administers grants throughout Canadian universities. It is, therefore, by far the largest organization in Canada, with facilities that no private industry, however big, could equal.

TIS has, as its principal aim, the assistance of small businesses. It was set up at the war's end because 750,000 men needed location in jobs and it was essential that there be as little disruption of employment as possible while industry turned from war to peace production.

The government was aware that all sorts of complex technical problems would arise during this industrial changeover and so it set up this special service. It was to consist of graduate engineers and scientists specially trained in information service. They would have a large and efficient library at their disposal and would make direct connections with information centres in all government departments and with foreign associations.

The plan was a good one in principle and Canada was one of the first countries in the world to have such a government service. That it was needed, there could be no doubt. By 1953, pointed out the Battelle Tech-

nical Review in the USA, 60,000,000 pages of scientific reports were being published annually, and it cost, in that country, up to $750,000,000 a year simply to search the literature.

Probably Canada was premature in setting up TIS—premature not in recognizing the need, but because industry was not ready for such a service. Whatever the reason, companies continued on in the old way, apparently without realizing the valuable service they were passing up. To a somewhat lesser degree, this is still a problem today.

It was found necessary to make personal visits to industries and so, now, TIS is represented in eight centres across the country, in Vancouver, Edmonton, Saskatoon, Winnipeg, Toronto, Montreal, Quebec City, Fredericton and Halifax. In five of these centres the TIS service is administered by the provincial research foundation, with a special federal grant; in two, salaries are paid directly by the provinces concerned; and in one there is direct TIS administration. By now, practically all of Canada's 38,000 industries have been visited by field representatives.

Suppose John Doe, who owns a small cleaning business in a Saskatchewan village is having trouble finding something to remove spots caused by a particular make of ball-point pen . . . . what shall he do? The profit in the cleaning business isn't so high that he can launch his own research project; nor are other cleaners always willing to tell him how to solve his problem.

His answer is simple. He can phone, write or wire to his TIS field representative in Saskatoon stating the problem simply and precisely. If it's a current poser for a good many dry-cleaning businesses he may be told at once that NRC is studying the matter. Or he may be given an immediate answer, if one is known.

If the field representative doesn't know the answer he'll send the query to Ottawa where a group of experts may be chivvied about it. If they are also stuck, a library search will be made, and inquiries sent overseas. The manufacturer of the ball-point pen may be asked his advice and for his formula. If all else fails, and if the matter is of concern to enough dry cleaning companies, scientists at NRC may take a crack at solving it by direct research. In other cases, where the problem is not one of widespread significance, the inquirer may be referred to a research organization near him that could tackle the problem at a fee.

Strangely, although a proprietor can lose nothing by posing a question to TIS, and may gain a great deal, there is a remarkable unwillingness to use its service to the full.

"It's as though we were trying to give $10 bills away on a street corner," said one official sadly.

Still, after 14 years of effort and some 100,000 personal calls, some executives are beginning to catch on. In a recent mail these were some of the inquiries that flooded the Ottawa desk: How do you construct a suction dredge? How do you manufacture silver-plated copper yarn? How can verdigris be removed from copper vats? What is the comparative cost of heating with various fuels? How should knots be set in nylon fish nets? How can natural color be preserved in botanical specimens set in plastic? What is a suitable oxidizing agent for polyethylene?

So far, among nearly 50,000 inquiries received in 14 years of operation, the batting average for full or partial answers has been more than 99 per cent.

Nor is TIS the only way in which business is assisted by NRC. The parent organization has about 600 scientists directly on staff and an intermediate number of others whose grants its administers. These men are constantly turning up new developments and inventions. By mutual agreement, their inventions must first go to a unique organization known as Canadian Patents and Developments—also a subsidiary of NRC. This organization patents at its own expense such of the inventions it wants (the others are returned to the inventor to do with as he wishes). Canadian Patents and Developments then leases licenses to produce the invention and takes back a royalty (usually 10 per cent).

Take the case of Positive Metals and Alloys—a Toronto company that did not exist a few years ago. It exists because a group of scientists at NRC began studying the effect of certain chemicals on oil. They came up

NRC has received nearly 50,000 inquiries since its inception, has supplied full or partial answers to 99 per cent.

with a simple, inexpensive plug (cost less than $4) which can be put into a car's oilpan and which will usually keep oil in good condition for 20,000 miles instead of the usual 2,000.

The patent was sold, a company started and manufacturing commenced. Today, NRC's little oilplug is being exported to countries as far away as Israel.

Recently, a new type of photogrammetry (air-mapping) device has been developed at NRC. It is far in advance of those now being used and is even portable. No Canadian firm wanted to manufacture it so the license was leased to a famous Italian company where the device will be produced with American capital.

Administered Prices: The Villain of Inflation

by C. J. Franklin

IN THE PRECEDING ARTICLE "The Myth of the Wage-Price Spiral," we examined the record and found that wage rises have not, in fact, always resulted in price increases either in specific industries or in the economy as a whole.

Wage increases have *not* invariably forced prices up in Canada not even when they outstripped productivity increases (the increasing value of output per man hour). Prices, in fact, have shown a surprising *lack* of connection with wage increases.

How, then, do prices increase? What causes the cost of living (retail prices) to rise? What *are* the Roots of Inflation?

Clearly wages have their effects on manufacturing costs, and so do such other items as raw material costs, fuel costs, processing machinery costs, capital borrowing costs, advertising, distribution, and so on. The lowest price at which any business can sell its products and still make a profit depends on these. To put it another way—the ability of a firm to stay in business depends on its being able to set prices at least high enough to cover these costs and in addition, to make a profit which is more or less competitive with other industries, that is, with other possible capital investments. This is its minimum, its staying-in-business price.

The *actual* price it charges for its products may be less than this staying-in-business price (but not for long unless it is owned by another corporation to whom its low price of products or tax loss are valuable). The actual price may be the *same* as this staying-in-business price, or it may be *higher*. Sometimes it is very much higher.

Because some businesses are vertically integrated (coal mines, ore pits, lake carriers, blast furnaces, steel finishing plants, in steel for instance) they have created situations where some *part* of a business may run at a consistent loss for the benefit of the whole and the confusion of the tax gatherers. Thus we must speak not of a business but of a *complex* of businesses, a *group* of operations under single direction and jointly dedicated to making a profit. We shall, therefore, use the word "complex" to denominate such vertical integrations.

In a free-market economy it is competition which is mainly responsible for setting prices, and for enforcing low prices and efficient operation on business. In Canada, and, indeed, in all of modern industrial society the "free-market economy" is, and has long been, no more than a pious myth.

We live in a truly mixed economy. This phrase usually means an economy made up of government corporations (like the CNR, TCA, the CBC), co-operative businesses (the credit unions, the marketing boards), and private business (the CPR, Dosco). This is true, but it is still not all of the truth, or even its most important element; namely that the private sector of our economy is also mixed in a striking fashion.

Broadly speaking, there are three sorts of businesses or complexes present in the Canadian economy, and in their differences lie the answers to most of our questions about inflation and pricing.

First are the small businesses, your corner garage, the neighborhood drug store, the road-side fruit stand, the small manufacturer. For these businessmen the free market economy is very real, often a very merciless fact. They buy at the prices they are given by larger, more powerful concerns, and sell at the price they must in order to meet competition. The independent gasoline station operator in the present series of price wars across the country is our example of such a free-market proprietor caught in a price-squeeze created by free-market competition.

At the other end of the spectrum of Canadian business are the giant corporation complexes which divide a market among themselves. These great concerns, which John Kenneth Galbraith, in "The Affluent Society", calls 'oligopolies', are the steel companies, the automobile companies, the electric and electronic companies, and so on. They deal not with the price competition of hundreds of others but with only two or three or four others.

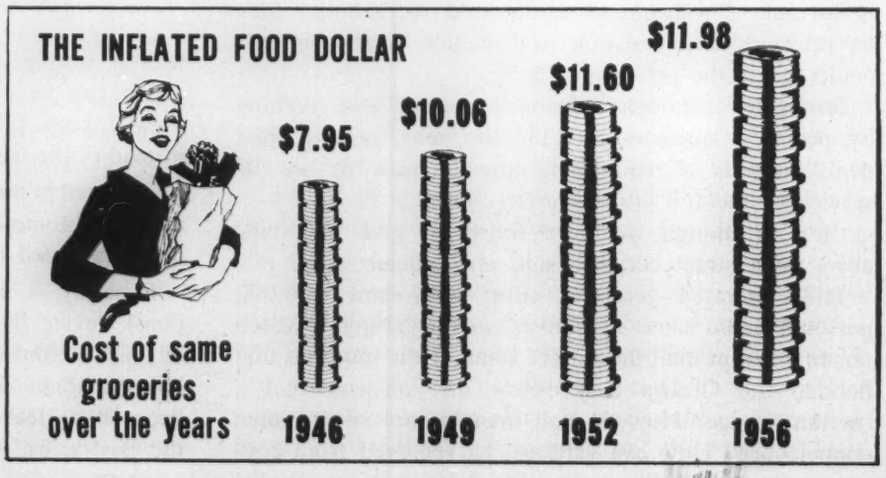
Between these two groups lies the bulk of Canadian business.

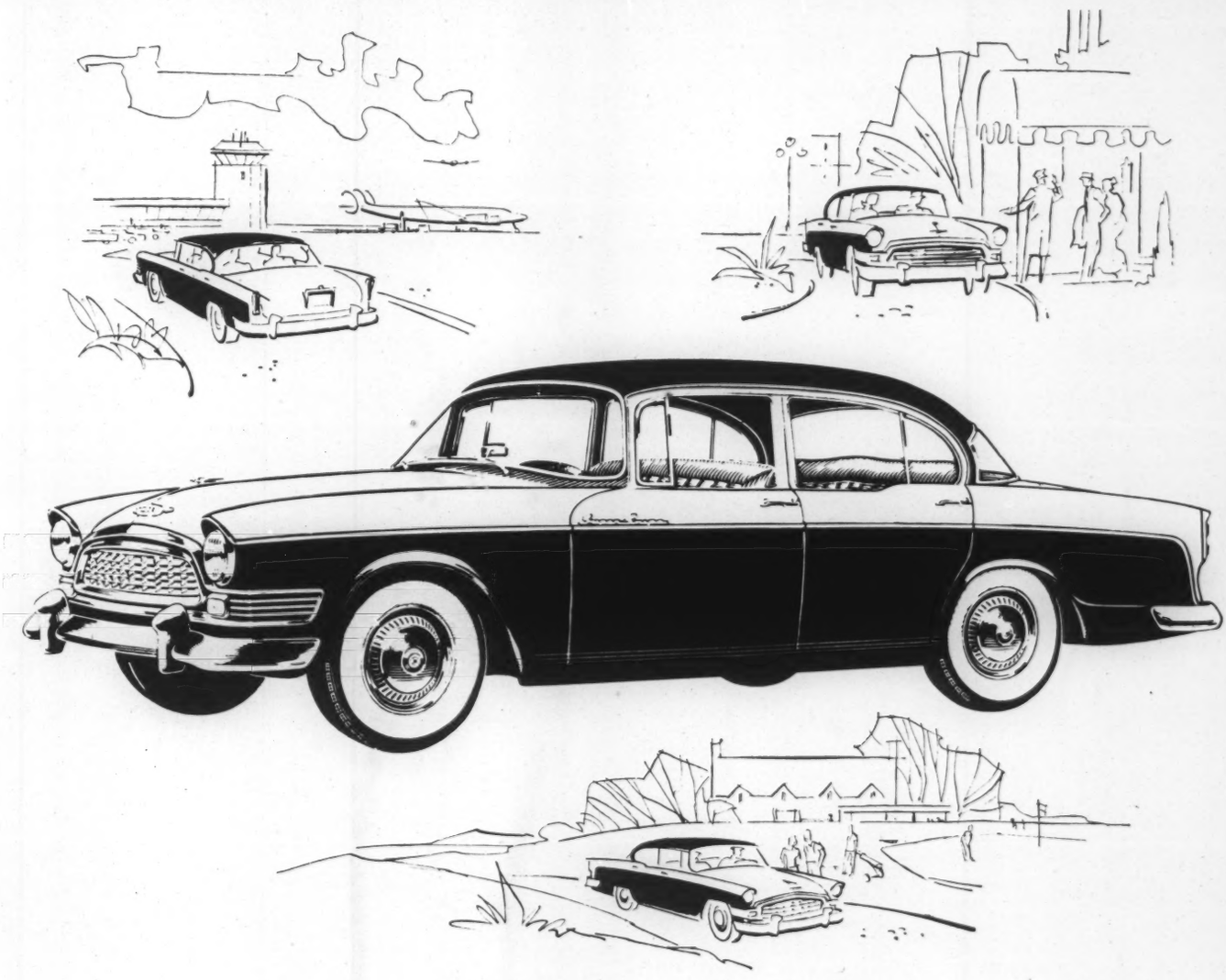
If this seems to imply that the great complexes, and in good times many of the smaller ones, do not price their products on the basis of the cost of staying-in-business—do not respond to the pressures of free market competition in their pricing policies—it is for good reason. Such complexes *never do* price competitively.

Let us recall a part of the quotation from Galbraith's "The Affluent Society" which appeared in "The Myth of the Wage-Price Spiral":

Galbraith is speaking about a company which has just announced a price increase after granting its employees a wage increase.

"The company, in short, has been free to raise prices at any time *if* it is free to raise them now. Prices were not held





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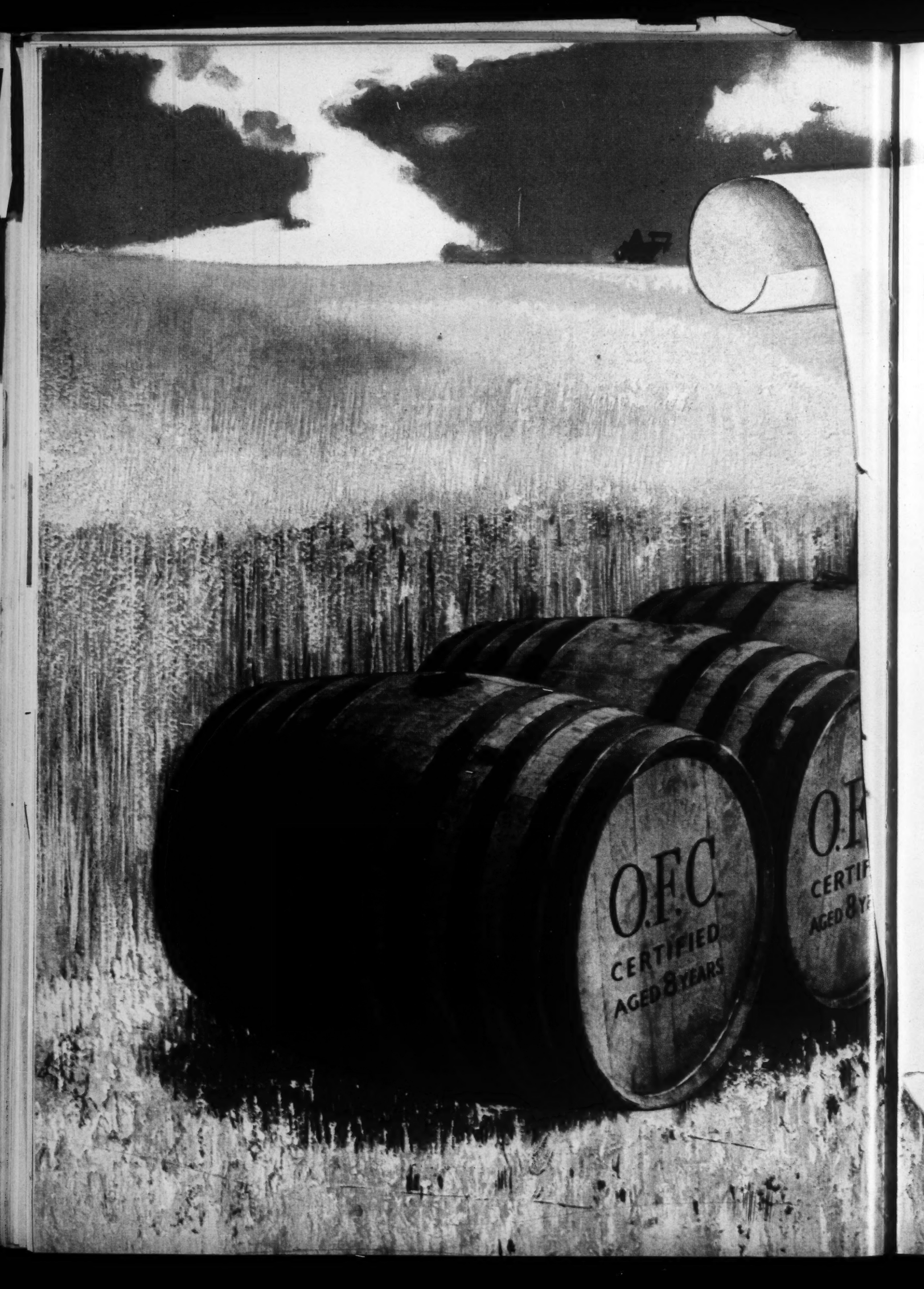
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down by competition but by other considerations. . . . the firm has been unwilling to advance its prices because of fear that it would attract the attention of the union which would press for wage increases. Now (after a wage increase) the union's attention has manifestly been attracted, and there need no longer be any reluctance on this score. The danger of an adverse public reaction is also least at such times. The public will ordinarily attribute the advance in prices to the union. In steel and other industries, there is now a well-established policy of making the occasion of a wage increase the opportunity for a rather larger increase in prices and company revenues."

This non-competitive pricing on the part of oligopolies and, in good times, smaller complexes is usually called "administered pricing", that is to say pricing policies determined directly by corporation management with little reference to cost or to competition.

The United States Senate Judiciary Committee's Sub-Committee on Anti-Trust and Monopoly Practices (the Kefauver Committee) has, in recent months investigated both the steel and the automobile oligopolies in the U.S.

In the volume "Administered Prices—Automobiles" ($1.00 U.S. Printing Office, Washington, D.C.) the Kefauver Committee report reveals that U.S. General Motors prices its automobiles so as to make a *net profit after taxes* of 20% on investment, based on 80% of production capacity. In a "good year" like 1950, when production was 169% of "standard volume", G.M. made a net profit—after taxes—of 37.5% on investment.

In the case of U.S. Big Steel the Committee reported the same sort of "administered pricing". Since 1947 "the price of steel has risen from year to year at an almost constant rate. It rose while unit labor costs were declining, and it rose (even) while demand was falling." In Canada the situation is not dissimilar.

According to a brief submitted by Canada's United Steelworkers to the Prime Minister and the Government last January the Big Five (Algoma, Atlas, Dofasco, Dosco, and Stelco) reported 1946 operating profits of $17,147,096, and in 1956 the operating profits were $148,792,084—a 767.7% increase. This would appear to represent a production increase of about 150%, so the per ton operating profit increase was about 30%. This compares with wage increases over the decade of 136.5%. Since wages accounted for exactly 20.0% (1/5th) of the selling price of steel in 1956 and "Residual Costs" (83.4% of which were operating profit) accounted for 26.2% of the selling cost of steel in that same year the importance of this greatly increased operating profit on steel prices may be readily under-

CONTINUED ON PAGE 38

Books

by Mary Lowrey Ross

Simone de Beauvoir: It took very little.

"Those Who Take Things Hard"

Dominated by emotion and ambition she was translated rapidly from the pitch of incandescence to the depths of unlighted despair.

"I TOOK REFUGE in my pride," writes Simone de Beauvoir in describing a crisis during her Sorbonne period. "My isolation was a sign of my superiority; I no longer had any doubts about that. I was somebody and I would do great things."

This is a recurring theme in Simone de Beauvoir's memoirs and it enlivens the earliest of her recollections. "One day in the Place Saint Sulpice, walking along hand in hand with my Aunt Marguerite who hadn't the slightest idea how to talk to me, I suddenly wondered, 'How does she see me?' and felt a sharp sense of superiority; for I knew what I was like inside, and she didn't."

This formidable knowledge, uncorrupted by any sense of self-irony, went right back to infancy. She had little early discipline in organizing either her gifts or her emotions, but she had studied herself with an absorption at once possessive and objective and from the age of three knew exactly what she was like inside. It was a little like having a wonderfully clear view on a scene of perpetual commotion and upheaval.

Simone's mother was a pious Catholic and a great stickler for a system of etiquette almost Japanese in its formality and intricacy. Her father, a skeptical and wordly lawyer, was as rigidly dedicated as Madame de Beauvoir to middle class conformity. Through her childhood, which was happy and secure, Simone worshipped them both; but she was an impressively opinionated little girl who soon came to realize that life under the regime they imposed was "a prison without bars": The bars she removed, privately, one by one—the anti-intellectualism, the pruderies, the dogmatic faith in social conformity and the existence of God. But the prison continued to hold her through most of her adolescence.

It was formidably guarded. Until she was nineteen years of age she had never entered a public restaurant alone. Her social life was largely a round of visits with relations and of stupefying family dinners. Her reading was scrupulously supervised by Mama who pinned together any questionable pages. (Rather curiously, for her docilities were almost as erratic as her rebellions, she never dreamed of unpinning them.) Unceasingly vigilant, Mama also opened her letters, detected and suppressed any attempt at the use of makeup, and occasionally corrected her grown-up daughter by boxing her ears. She rarely discussed and never explained, and in any matter concerning sex Simone was left to make her own bewildering deductions.

Eventually she escaped. But what emerged from the swaddling chrysalis of childhood was hardly a butterfly. She was poor and badly dressed, for the family inheritance, largely invested in Russian securities, had vanished with the Revolution. In her revulsion against middle-class standards she had become deliberately slovenly and admits that she rarely brushed her teeth and never cleaned her finger-nails. Worst of all, she was a dedicated student, weighed down by "an implacable austere seriousness". By contemporary standards Simone at this stage was a square, a condition she recognized, ruefully, but with no weakening of her determination to deal with life on her own terms. Her isolation was a sign of her superiority, and she continued to live at a high pitch of emotion and intellectualism.

Though undoubtedly superior, she was actually far from isolated. At all times she appears to have burned with a vehement flame of living and this inevitably attracted a special circle of admirers. Among the earliest was her cousin Jacques with whom she carried on an off-and-on love affair for a number of years. Jacques introduced her to books outside the family curriculum, sympathized with her ambitions, and escorted her surreptitiously to her first public bar.

The latter experience turned out to be a revelation. With her volatile temperament it needed only one dry martini to set her to snatching hats and breaking glasses. After this initiation she took to frequenting bars of more and more questionable character and she gives a touching description of her attempts on these occasions to present herself as "a model or a tart". ("With my dingy old frock, woollen stockings, sensible shoes and face ignorant of makeup I never deceived anyone".)

Quite a number of dubious characters tried to accelerate her education at this stage, but Simone retained both her innocence and her intellectual objectivity and continued to observe the regular customers "not as creatures of flesh and blood but as allegories; Disquiet, Futility, Despair, Genius perhaps, and certainly Vice in all its masks". The dutiful daughter of Mme. de Beauvoir was still in safe hands, though in bad company. She was able to contemplate the underworld gutter with equanimity and even with delight because it was the farthest possible remove from the rut of middle-class respectability.

It was Jacques who reverted to the rut and ended in the gutter. He married a girl with a good dowry, squandered her money and his own and died in alcoholism, a striking proof that those who live by conformity must perish by conformity. Simone meanwhile had continued at the Sorbonne where she was beginning to cut the figure she had sketched out for herself in childhood. She was now recog-

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–188A

nized as a student with a brilliant future, the envisioned somebody who would do great things; and presently she was taken up by the small inner circle dominated by Jean-Paul Sartre.

The experience was both stimulating and disconcerting; for in Sartre and his fellow-students she recognized that she had finally met her match. She was in fact over-matched, since she was in the ignominious position of not having "explored more fundamentally the consequences of the inexistence of God". "From now on I'm going to take you in hand," Sartre announced at one of their early meetings. Simone could have asked nothing better for by this time the militant nonconformist had discovered in her fellow student both an authority and a mystique. "It was the first time in my life that I had felt intellectually inferior to anyone," she writes. . . "Day after day and all day long I set myself up against Sartre and in our discussions I was simply not in his class." The effect of this unique discovery was to bring the cycle of education and experience full-circle, for in Sartre she recognized the "double in whom I found all my burning aspirations raised to the pitch of incandescence."

"There are two kinds of people in the world," Henry James points out in *The Bostonians*, "Those who take things easy, and those who take them hard". Simone de Beauvoir belonged overwhelmingly among those who take things hard. Dominated by emotion and ambition she alternated between the pitch of incandescence and the depths of unlighted despair, and it took very little—a sunset, a whiff of cherry-laurel, a single gin fizz—to translate her from one state of being to the other. Her autobiography has been compared to Edmund Gosse's *Father and Son* and to Rousseau's *Confessions*. Actually it is closer in its acute feminine intensity and sensibility to the *Journal of Marie Bashkirtseff*.

Memoirs of a Dutiful Daughter, by Simone de Beauvoir — pp. 362 — *André Deutsch—$5.95.*

Slum by the Sea

The Holy Barbarians, by Lawrence Lipton—pp. 318, illustrated—*Copp Clark—$5.75.*

"THE FAR-OUT FLIP is a gamble for high stakes. It is the descent into Hell. Orpheus in Hades. The cool cat may flip if he goes too far out, but he is expected to pull out of it, to come down from his high, to come back, just as the jazz musician always comes back to the theme on which he is improvising. The idea is the traditional one of the hero and his journey perilous".

It is in this fashion that Lawrence Lip-

ton attempts to explain, frequently in four-letter words, the beat generation, and how they got that way. For those whose curiosity and industry is great enough to "make the scene", *The Holy Barbarians* is a sometimes interesting documentation of the life and amorally gay times of a group of second-generation radicals living in Venice West, California.

Although Lipton makes the *reasons* underlying the rejection of moral and material values by his real-life characters sound plausible, the *people* still emerge as bearded dead-beats without much purpose, ambition, or semblance of talent.

In the author's own words: "All raging and sniffy and crazy-wayed". A.N.M.

Briefly Noticed

Every Man Is An Island, by Ronald Hambleton—pp. 246—*Hutchinson—$3.25.*

The theme of the unorthodox and incautious character brought into contact with a group of orthodox and cautious ones has served many a novelist well. In this book the rolling stone Shaggit is friend and evil genius to a family called Cooper, in Vancouver. The considerable merit of the modest story is too often obscured by the mannered, over-wrought prose.

The Girl Beneath The Lion, by Pieyre de Mandiargues — pp. 144 — *Ambassador—$3.00.*

The Girl Beneath the Lion is another to add to the shelf of novels about midsummer badness in the Mediterranean. Vanina is an attractive schoolgirl who determines to lose her virginity on her own terms to a handsome stranger. Since she herself is most attractive, the stranger is glad to oblige and act the part of the lion—he even uses his claws when pressed. Pieyre de Mandiargues thus writes yet another proof of Byron's famous statement that

What men call gallantry and the gods adultery
Is much more common where the climate's sultry.

The Devil In Bucks County, by Edmond Schidell—pp 401—*Simon and Schuster—$4.95.*

The devil is sex and it rears its ugly head in a somewhat more plushy part of suburbia than in *No Down Payment* or *Strangers When We Meet.* Basically this is *Lady Chatterley's Lover* all over again with the breadman instead of the gardener. There are other people involved too, mostly in triangular or other amatory situations, and a thread of snobbism connects the poor old tenants and the well-heeled new. Good rough and tumble stuff with the emphasis on the tumble. L.S.

IF YOU HAVE A TASTE FOR GREAT SCOTCH IT'S WHITE HORSE OF COURSE!

9006

Chess

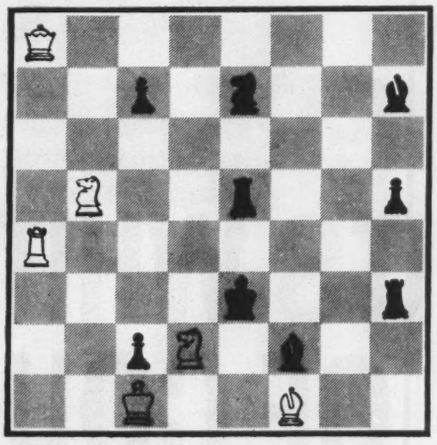
by D. M. LeDain

IN THE LONG HISTORY of the Canadian Championship (from 1873), a few champions have succeeded in winning the title more than once. Two, J. S. Morrison, Toronto, and D. A. Yanofsky, Winnipeg, have each scored five victories. The palm, however, goes to Maurice Fox, of Montreal, who, during the period 1927-1949, chalked up the remarkable record of eight wins!

White: M. Fox, Black: A. Regen
1.P-K4, P-K3; 2.P-Q4, P-Q4; 3.Kt-QB3, Kt-KB3; 4.B-Kt5, B-Kt5; 5.P-K5, P-KR3; 6.B-Q2, BxKt; 7.PxB, Kt-K5; 8.B-Q3, KtxB; 9.QxKt, P-QB4; 10.P-KB4, Kt-B3; 11.Kt-B3, Q-R4; 12.PxP, QxBP(4); 13.Kt-Q4, B-Q2; 14.QR-Kt1, KtxKt; 15.PxKt, QxQP; 16.RxP, B-B3 (better Q-R8ch; 17.Q--Q1, Q-B6ch; 18.K-K2, Q-B3); 17.RxBP!!, Q-R8ch; 18.K-B2, QxR; 19.B-Kt6, Castles (Q) (if R-Q1; 20.Q-Kt4, R-Q2; 21.R-B8 mate!); 20.Q-B3, Resigns.

Solution of Problem No. 224 (Heathcote). Key, 1.Kt-Q2.

Problem No. 225, by B. Harley.
White mates in two. (6 + 9)



Puzzler

by J. A. H. Hunter

"YOU REMEMBER that SATURDAY NIGHT Puzzler, Ted?" asked Bill, looking up from the paper on which he had been scribbling. "The one about the cubes of the ages?"

"The one you didn't figure out." His brother nodded. "Don't say you've done it, now you know the answer."

Bill grinned. "Well, you couldn't do it either," he replied. "But I've made up one for you. You don't know Pam or Linda, but the cubes of their ages add up exactly to the year I was born."

Ted knew what year that was, so he didn't find the problem very difficult. Unfortunately we lack that helpful information!

Bill had taken the ages of the girls in complete years, of course. What were they then? (107)

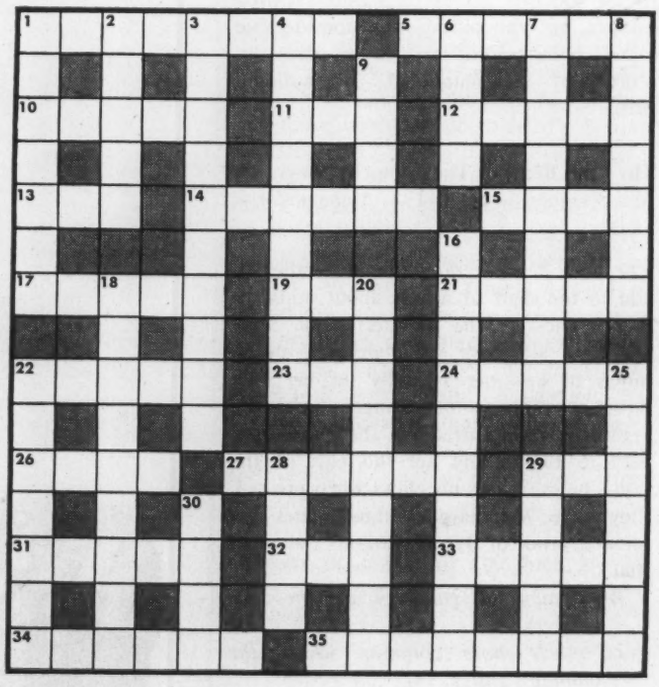
Answer on Page 44.

Where There's a Will - -

by Louis and Dorothy Crerar

ACROSS
1, 34, 5, 15. Where his affections were concerned, 8 did. (5, 3, 6, 3, 3, 4)
5 See 1A
10 "All the world's a stage" must have inspired the naming of this theatre. (5)
11 "Now would I give a thousand furlongs of . . . for an acre of barren ground". (The Tempest) (3)
12 A number to be this in Stratford's tent, had to arrive early. (5)
13 Drink it in at each matinee in English theatres. (3)
14 "Midsummer Night's Dream" and "The Winter's Tale" each denote a different one. (6)
15 See 1A
17 "This bud of love, by summer's . . . ing breath, May prove a beauteous flower". (Romeo and Juliet) (5)
19 Lie around in a new State. (3)
21 Go after the 18 friend to become a Spanish one. (5)
22 Chilean pianist who accompanies Jean-Louis Barrault's theatrical company. (5)
23 Scouts cut off need help it seems. (3)
24 Banquo was an unwelcome one at the feast. (5)
26 See 29A
27 Hi, lad! A bloomer you've made. (6)
29, 26, 20. Were Hamlet's last words referring to music? (3, 4, 2, 7)
31 Those who lent an ear to Antony did, no doubt. (5)
32 What a long time it took Leonard to take fat off. (3)
33 Quick? 8 wasn't at the end of 8. (5)
34 See 1A
35 Lately there's very little money in a broken lyre. (8)

DOWN
1 Where there's smoke there's this quite often. (7)
2 But she didn't play on one in "Twelfth Night". (5)
3 Yet some Shakespearean players get a dressing-down for doing this in modern clothes. (8-2)
4 What riders in the Grand National come up against. (9)
6 "Come . . . these yellow sands". (The Tempest) (4)
7 This fruit when 17ed ain't green. (9)
8 To return a greeting is really something at Stratford this year. (7)
9 "But yet the pity of it; . . . ! O! . . . the pity of it, . . . !" ("8") (4)
16 See 25
18 French capitalists, as it were. (9)
20 See 29A
22 There are tunes, and how, in this alfresco performance. (3, 4)
25, 16. There's a story connected with it as the Fool said in "As you like it". (7, 5, 1, 4)
28 What's in a name? (4)
29 Wind, like most of a cyclone? (5)
30 How old I look in different make-up. (4)



Solution to last puzzle

ACROSS
1 Baked Alaska
7 Saddles
8 Tea urns
10 Eden
11 Wallflower
13 Ill
14 Lick
15 See 4
19 Lawyer
20 Mesa
21 Gab
23 Ingratiate
26 Idea
28 Satanic
29 Beloved
30 Sleepwalker

DOWN
1 Bedfellow
2 Kiln
3 Distance
4, 15, 25. Little Orphan Annie
5 Small
6 Arrow
7 Specialties
9 Springboard
12 Glee
16 Read
17 High diver
18 Vertebra
22 Hiccup
24 Gates
25 See 4
27 Flak (474)

The Lively Arts

by Mary Lowrey Ross

Picking Up the Summer Slack

PRODUCERS AND SPONSORS, backed by the pollsters, make a rough claim to meeting public demand, but demand sounds rather too urgent a word to apply to the attitude of summer television audiences. Dull acquiescence is probably a better description.

Long ago, someone decided that television must never be allowed to go dark, even in the dog days, and just about the same time someone else figured that anything that would keep the little square in the living-room just dimly burning was good enough for summer audiences. For day-time there were the soap-operas and maybe, for special diversion, a lady contestant trying to make a hat out of hay or to skip rope while hanging out the family wash. Then for the evening, repeats, Westerns, and repeats of Westerns, could keep the public reassured that someone, if only television's night watchman, was still on the job.

This, conceivably is a miscalculation. For summertime is the season of the year when all other entertainment forms, from amusement parks and circuses, right up through chataquas, summer stock, music fairs and Shakespearean festivals, are flourishing at their height. These are ardently patronized by people wanting to be amused, or elevated, or, possibly, just to get away from summer television.

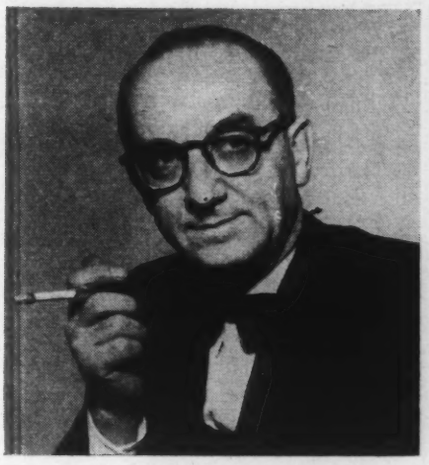
Far from accepting this as stimulating competition, television has been content to struggle through the summer at a bare subsistence level of entertainment. Among the regulars, only the tireless Ed Sullivan has turned up to announce that his show at least is televised every week. Most of the rest, including the reliable *Playhouse 90* continue to present repeats and repeats of repeats, on the traditional theory that nobody watches television in summer except shut-ins, the very elderly, and people too indolent to move.

Harry Crowe: Happily adjusted?

People of the Arrow: Whither?

Even among these, however, it is possible to pick up the sort of fringe-group that *Front Page Challenge* discovered during one of the summer lulls — an audience made up, it would seem, of the sedentary, middle-aged and old-fashioned people who read the newspapers.

Front Page Challenge ranged back among the headlines as far as living memory would go. It had a sound and enthusiastic following and this group, now largely neglected, would probably welcome a summer program with headlines going back no further than yesterday. In fact if our television producers were interested in taking up the summer slack they could make a fine program simply by tidying up the loose ends left by the daily press. For the newspapers have a habit of dropping into limbo the stories and personalities they have been hotly pursuing, leaving the public to ask itself in bewilderment, yes but what happened next?



Premier Smallwood: What next?

At the risk of stirring up again that one-man hornet's-nest, Premier Joseph Smallwood, the CBC might provide us with a fascinating documentary on what happened next in Newfoundland? How is the feud progressing between Premier Diefenbaker and Premier Smallwood, or do we have to wait till 1962 to find out? Has the IWA finally accepted defeat, and are all the Newfoundland workers now satisfied with Mr. Smallwood's arrangements? It would be interesting to know.

What has happened in the case of the families and survivors of the Springhill mine disaster? Some memorable human beings emerged from that catastrophe and a lot of people would be interested in knowing what eventually became of them. There is also the human side of the Arrow cancellation story which has never been explored. How many of Avro's technicians and workers headed back to England, and how many to the Los Angeles defence plants? How many are still jobless and what became of all those mortgaged homes and cars? (It is a mistake to assume that the uprooted are interesting only in the process of uprooting.)

Then there are the thousands of people who followed in detail the Crowe-Lockhart controversy and who would welcome an interim report on that celebrated case. Is Professor Crowe now happily adjusted? Is Principal Lockhart? It shouldn't be difficult to find out.

Has Mom Whyte finally settled her differences with the social agencies and how are her plans progressing? A great many people would be interested to know. A great many, too, would be fascinated by a fully documented account of that new mystery, who ordered the cancellation of Preview Commentary?

Not all of this, to be sure, is practicable. But almost any one of these topics, helpfully explored by camera and tape recorder, would enliven a summer whose chief controversial issue so far seems to be the battle between the aspirin forces.

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Gold & Dross

Background factors in oil and gas—A speculative pipeline stock—Telephones vs. agriculture—Safety for securities.

Oil & Gas Prospects

Have we not reason to believe that Canada has a fine natural resource in her oil and gas supplies? This accepted, how are these resources to be developed without a more active demand for the products than exists? If a market is not developed for oil, can it be expected that sales of gas from some of the oil and gas fields will be sufficient to carry them through this crisis? In other words, do you think that the prospect for gas would warrant purchase of certain stocks? I am particularly interested in Delhi Oil Company, Provo Gas Producers Ltd. and Pacific Petroleum Ltd.—C.H., Ottawa.

The solution of your problem lies in considering the background factors in the oil and gas industry. There is at present more oil and gas in western Canada than the market will absorb but this imbalance will probably be corrected with the growth of Canada and the declining reserves and increased demand for energy in the United States.

Surpluses of Alberta crude oil enjoy a market from time to time in the northwest Pacific states, depending on tanker rates. When these decline, coastal refineries import oil from other areas; when they advance, they draw on Alberta.

As far as eastern Canada is concerned, there is little prospect at present of a crude oil pipe line to carry Alberta crude to the major refining center of Montreal. This point now processes South American crude piped in from Maine. At the same time, the possibility of Montreal ultimately taking Alberta crude is worth keeping in mind.

The natural gas outlook is relatively bright. Not only is the Trans-Canada line providing a Canadian market for gas from several fields but there is an extremely good chance that gas will be exported to the U.S. midwest and to California.

We would not attempt to outline the conditions under which a field, which is exclusively a gas producer, could be profitable. But you might note that the existence of a market for gas provides some incentive to drill for oil since the finding of gas is a secondary objective. In other words, without the existence of a gas market, oil drilling might decline.

The three companies you mention have well-based positions and must be conceded to have speculative attractions.

North Canadian Oils

What is your opinion of North Canadian Oils Ltd?—H.H., North Bay.

North Canadian Oils Ltd. is a speculative situation in a gas pipeline and in the pulp business. The company had a net profit of $318,968 in the year ended March 31, 1959, ahead 56% from $201,108 in the previous fiscal year. Net profit is after interest charges of $450,000 on funded and current debt.

Major source of revenue in the latest fiscal year, as in the previous one, was operation of the pipe line from Wabamun to Hinton, Alta. Construction of a 47-mile extension from Hinton to Jasper is expected to be completed by Sept. 1 by Northland Utilities Ltd., which will buy gas from the North Canadian pipeline at Hinton. This serves the mill of North Western Pulp & Power Ltd., in which North Canadian has an interest.

North Canadian did not participate directly in any drilling last year but has this year commenced negotiations for development rights to large acreage in a semi-proven gas field, which could be served economically by its pipeline. This field is expected to benefit from any arrangement for export of gas to the U.S.

The company's capitalization consists of $7.5 million funded debt, $3.5 million $50 par value preferred stock and 5.2 million shares of common.

Massey-Ferguson

I hold 550 shares of Massey-Ferguson Common stock which cost me, on the average, something like $7.50 a share. Should I sell or hold now? Also, some of the commission men are trying to convince me that I should sell my British Columbia Telephone Co. common and buy Bell Telephone common in its place.

These two companies each pay $2 a year in dividends, while Bell Telephone is listed at around $3 less than BC Telephone. What is your opinion here?—D.D., Kelowna.

Massey-Ferguson Limited has moved up smartly in price in reflection of the more optimistic expectations for the implement industry, the long-term future of which appears to be exceptionally bright. A considerable part of the world is still backward in its agricultural practices and the pressure of mounting populations will force it to adopt modern methods, for which Massey provides the implements. The market for the stock appears to be somewhat ahead of the company's earnings but there are few basic industrials about which the same comment cannot be made. If you feel uncertain about your position, you could sell enough of your holdings to recover all or the major portion of your investment, leaving you with a bet on an attractive future at little, if any, cost.

It's difficult to choose between Bell Telephone and its counterpart in the province in British Columbia since the prices of both equities reflect a considerable element of anticipation. One might, however, offer the generality that the development of British Columbia may outpace that of the rest of Canada. Successful investment is not entirely the prerogative of the chart analyst. The spoils also go to the lad who can look into the future and visualize the development of the resources in which British Columbia is so rich.

Endorsed Certificates

If you were in my position with some 30 to 40 stock certificates unsigned, would you remove them from the safety deposit box, endorse each one and have the signature verified by a bank official, put back in the box and have each subsequent certificate, if any, endorsed and verified before putting it in the safety deposit box? I am assured by one person that such procedure would simply estate administration for my executors and thus save the estate money.—M.E., Vancouver.

It is difficult to see how the holding of endorsed certificates could save an estate money since all assets in the estate will have to be cleared by the appropriate authorities. Visit the safety deposit section of any bank or trust company and you may see an official working on the obituary columns. The usual procedure is for a depositor's box to be sealed upon his death, then unsealed in the presence of government officials and estate executors. Any charges which could be saved as a result of the certificates being endorsed would be trivial.

The big danger of holding endorsed certificates is from loss or theft. Every time you remove a certificate from the box

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Growth ? Security ?

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and place it in transit, there is a risk of loss. The risk of theft is not great but you might recall that about $12 million certificates were stolen from the boxes of investors in an Ontario town a few years ago. And many readers will recall the earlier rifling of the boxes in a Toronto bank.

We urge you as a prudence not to presign your certificates. If you're concerned about cash requirements of your survivors in the event of your death, open a special bank account.

Mutual Funds

I would appreciate if you would air your views on mutual funds.—R.R., Windsor.

Evidence that the so-called "mutual funds" are the solution to the problems of many investors continues to mount. They provide an element of professional supervision which the investor is frequently unable to exercise himself but which is increasingly necessary to the profitable employment of funds in this day of growing complexity of business and finance. The effectiveness of such supervision is evident in gains in mutual funds this year outpacing the rest of the market.

It is pointed out by the more enthusiastic supporters of mutual funds that the shareholder in them is purchasing the services of securities analysts and managers whose job it is to follow all factors affecting securities and to decide when to buy or sell. By contrast, the individual investor is tossed about on a sea of indecision. He listens to tips and rumors, and is swayed by the urgings of well-meaning friends, who are not necessarily versed in investment. In consequence, he generally buys at the top and sells at the bottom.

Besides professional selection, the mutuals provide the investor with diversification. The investor who owns fund shares owns a part of the shares of a large number of companies.

An important implication of the mutuals is the probability that they will become vocal in expressing their opinions to management of companies in which they invest. In other words, they may tell management what to do whereas the private shareholder is a mouse when it comes to telling off corporation executives notwithstanding his vested right to do so.

Consolidated Smelters

Do you recommend a purchase of Consolidated Smelters?—B.A., Quebec City.

Consolidated Smelters is one of the blue chips of Canadian industry. The overall picture shapes up as one on which investors are willing to accept a yield of less than 4% considering the company's prospects. These are based on an entrenched

position in the lead and zinc industry, on large ore reserves at the Sullivan mine, and on controlling interest in the Pine Point property. The latter is said to be the largest deposit of lead and zinc in the world and is a store of metal to perpetuate Consolidated Smelters' existence as a lead and zinc maker. Pine Point is, of course, now outside the range of transportation but there is a possibility of the government building a railroad to the area in the next 10 or 20 years.

Profitwise the first half of 1959 is expected to run at about the same rate as last year, when the net was 85 cents a share. Somewhat higher zinc and lead prices this year are offset by smaller sales, higher freight rates, and the decreased value of the American dollar. Fertilizer sales so far this year have been about average as to price and volume.

On June 1, the company started cutting its exports of lead by 15% and exports of zinc by 13%. Relative production cuts are in the cards but for a short time Smelters may do some stockpiling of the two metals. There is hope that higher lead and zinc prices will be obtained, through the cutbacks of important world producers. These may compensate for lowered sales.

Fertilizer business continues intensely competitive.

Leitch Gold

Could a constant and appreciative reader of your financial column draw on you for a rundown on Leitch Gold Mines? — S.R., Calgary.

Leitch is a small, high-grade gold mine in the Beardmore area of Northwestern Ontario. More than 20 years of profitable operation has enabled the company to reach a strong financial position, and to place some bets outside. The price of the stock does not seem to be unreasonable for speculative purposes, considering the company's position and outlook.

In Brief

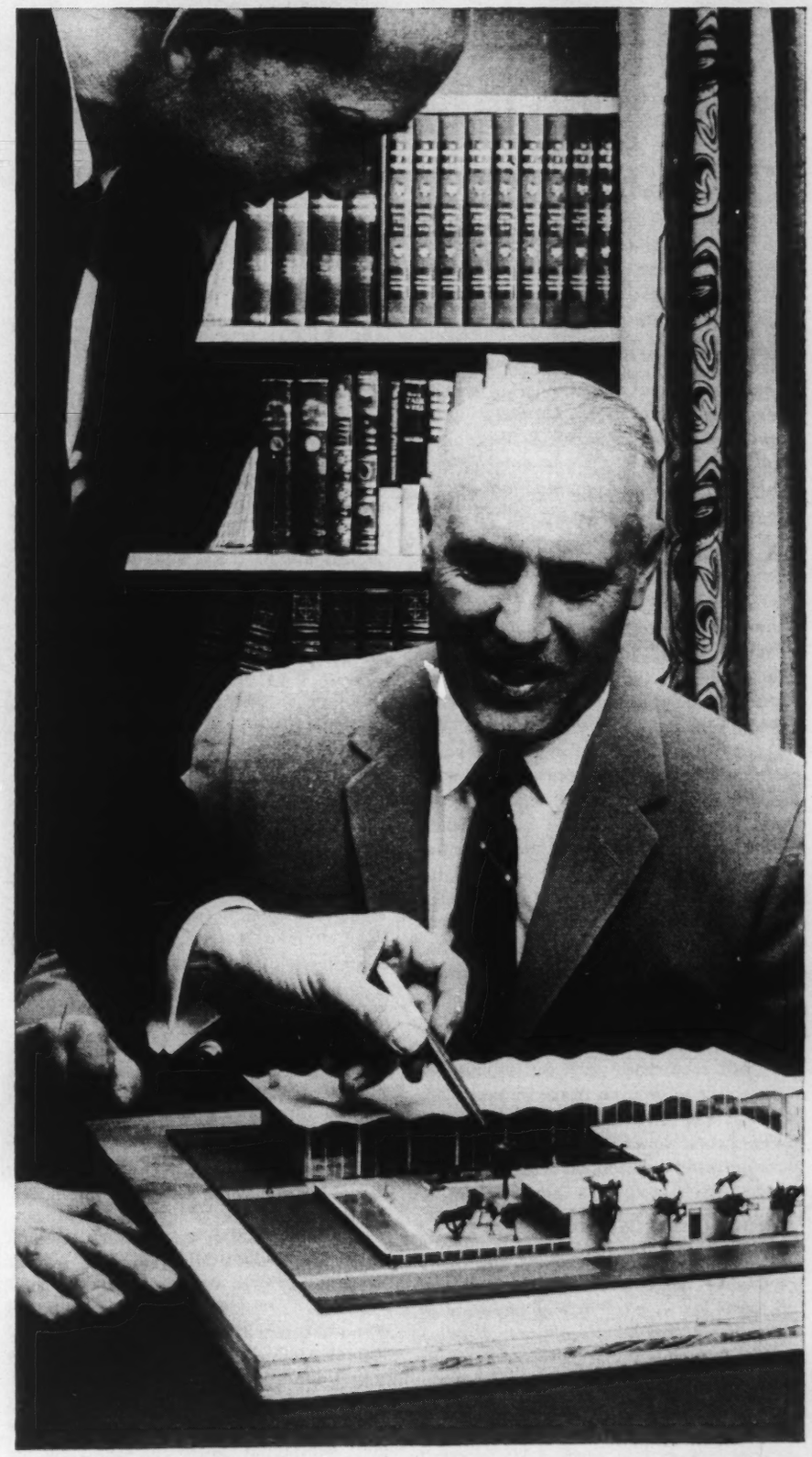
What are McIntyre Porcupine's investments worth?—B.A., Ottawa.
Estimated value about $105 per share at midyear.

Anything new at Campbell Chibougamau? —K.H., Winnipeg.
Continues to obtain interesting results.

What is the status of Fatima Mining Co? —L.D., Montreal.
Sinking a shaft on its nickel claims.

Is Union Mining operating?—M.S., Halifax.
Has a party prospecting in Northern Ontario.

Why did nickel sales decline in July?—B.H., Hamilton.
Mainly because of the U.S. steel strike, nickel being consumed in conjunction with steel.



DESIGNED FOR THE MAN OF RESPONSIBILITY

As a man of responsibility you are vitally concerned with future planning for your business and family. Other men of responsibility have found help in these matters through trust company specialists. You are invited by the trust companies of Canada to consider the long-term advantages of appointing a trust company as your executor and trustee—to manage personal and employee pension plans—to look after investments and real estate. Contact any trust company; its officers will be happy to give you full details.

Insurance

by William Sclater

Variable Annuities

I understand one well-known insurance company has legislative approval to write variable annuities in the U.S. Will these be also available in Canada now to help combat the rising tide of inflation?—J.R., Winnipeg.

This is still many months away in the U.S. and would require permissive approval from the Securities and Exchange Commission also, once a State government has passed the required legislation. The need for the SEC approval is a Supreme Court ruling in the U.S. What has happened is that the Prudential Insurance Company, after five or more years pioneering in this field, secured permissive legislation in New Jersey against opposition that charged such a move would put insurance companies in the securities business since the annuity payments in which such premiums would be invested would vary in accordance with the prices of the common stocks held. The traditional insurance concept is of course the provision of a fixed return.

This is a major development and other insurance concerns may be expected to take full cognizance of it but it still has a long way to go even in the pioneer state where it will be available and considerably longer before we can look for the prospect of comparable development in Canada.

Inadequate Medical

Although I am insured through the Physicians Services I find because my doctor is not a participating physician in this scheme that I am badly penalized. I receive something like 50% of what he charges me, and while I appreciate it is still beneficial, I feel non-participating doctors, and through them their patients, do not get a fair break. My doctor's prices are not unreasonable. I am told that if I go to a participating physician I would solve this situation.

I tried that. I went to one P.S.I. who was putting 12 to 20 patients, mostly industrial, through by the hour. He mixed up my X-ray plates and blandly informed me I had T.B. and would have to be hospitalized immediately. All I had was a bad cold but I had to go back to my own doctor and get private X-rays to find out I had no trace of T.B. I think P.S.I. should limit the number of patients per doctor to what a doctor can properly handle. A.K., Hamilton.

While you have suffered a most unfortunate experience I am glad you realize that P.S.I. are trying to do the best they can and one poor apple doesn't condemn the barrel. From my own experience and observation some of the finest doctors in Ontario are in P.S.I. and do a first-rate job of diagnosis and treatment for their P.S.I. patients.

While your own doctor is not in P.S.I., you are probably still well ahead through being in P.S.I. than you would be otherwise, for the premium you pay. In 1958 P.S.I. paid out over $17 million in benefits and lost $704,314. The phenomenal rate of increase in the number of patients, from 105,731 to 861,243, was quoted as the reason for the recent increase in rate and much adjustment is still going on which may well be to your advantage in future.

Election Protection

During the election for a member of Parliament we generally have two or three autos made available to us for which we supply drivers from our committee room workers. How would we protect ourselves against actions arising out of an auto accident? How would we protect our workers in the Committee Rooms against falls, injuries and such possibilities?—D. McE., Kingston.

Non-owned auto insurance with substantial limits would be the answer to your non-owned auto problem and your fire and casualty agent could readily arrange this. It would be put on the autos for the actual duration of their use by your headquarters. General liability insurance should meet your needs for your workers and give substantial protection from an insurance viewpoint.

Negligence Liability

If a spillage of oil from a tank truck filling my building tank causes a fire will the damage to my building be covered by his liability policy?—A. D. Vancouver.

The ultimate determination of negligence, if it was responsible for the spillage, may well be laid at the feet of the tank truck operator but he may or may not have insurance against this contingency. You will be covered by your own policy and any proceedings would be taken by your own insurers in such circumstances.

Pistol Packing

Sometimes a municipality has to issue a permit to allow people in certain occupational categories to carry a revolver. There is always the possibility that civil damages can be caused by the improper use of such revolvers. Is there any kind of protection for a municipality in the event of such a contingency?—D.E., Winnipeg.

Since these would be presumably responsible people the municipality would have the right of legal redress for civil damages caused by the improper use of such guns. But you could ensure that the municipality would be indemnified in such circumstances by making such permits available only to persons who were suitably bonded. A bond covering that contingency should be available for an annual premium of about $5 per $1,000 of coverage, depending on circumstances.

Under-25 U.S. Rate

What is the premium paid for a $10,000-$20,000 and $5,000 P.L. and P.D. policy by a driver under 25 years of age in Buffalo?—J.R., Toronto.

For a pleasure car in Buffalo the youthful U.S. driver under 25 pays $271 for the above coverage if he is unmarried and the owner or principal operator of the auto. If he is married and owns his own car the rate is $168, the same as for a family with a male driver under 25.

Workmen's Compensation

I think it is high time a competent businessman was appointed to this Hospital Commission so that we could see where we are insured and where we aren't and to avoid duplication of coverage and overpayment. How is this plan going to affect the rates paid by employers to the Workmen's Compensation Board? Does this mean they will be reduced now? T.W., Toronto.

The Workmen's Compensation Board is not affected by the Government Hospital Plan. It is a separate thing entirely and the Hospital Plan was not envisaged to absorb industrial accidents covered by the Compensation Board. The full cost of the hospitalization of a worker injured in an industrial accident is borne by the Compensation Board.

If however a worker is injured on his way to or from his work that is a different thing. The Compensation Board would not be responsible for such injury and treatment but the worker would be protected by the Government Hospital Plan.

Who's Who in Business

by Neville Barnett

Rebel With a Ten-Year Cause

"SOME PEOPLE SAY I am unorthodox in my ways. But what is unorthodox? I do what I consider is logical."

Whether Jack Browne, as president of Georgian China Ltd., built his company because he was unorthodox, as others maintain, or because he was merely logical, as he says, can never be finally answered. But what is inescapable is that this particular elusive quality has made his company the leader in its field.

Georgian China Ltd. was established at Collingwood, Ont., in 1948. Against a background of recessions and rumors of recessions and despite the competition of merchandise from countries with lower labor standards—a factor which has put out of business three similar Canadian firms and 28 American—the company has grown and prospered. The plant employs 200 persons, two thirds of whom are women, and has an annual turn-over of 20 million pieces of decorated china a year.

Browne, however, began building the company in 1939 when he formed his own wholesale jobbing company.

This company handled dinner ware and other lines, primarily for sales promotion purposes. "Anything connected with sales promotion usually runs into volume. We were actually a more valuable customer to a pottery than a large store—because our volume was all in the one pattern."

As the jobbing progressed, he found that his company was always at the mercy of the supplier, unless huge inventories were carried. Orders would come in and there would not be the goods to fill them because some supplier had slipped up.

"Very brashly I thought we could get into the pottery business ourselves. I had seen what they had done in American potteries—in the decorating end of making dinner ware—and it didn't seem to me to be too difficult.

"I knew we could buy plain white blanks and what is a pattern when all is said and done?"

To him none of the operations involved seemed to be particularly difficult, nor did it seem necessary that they had to be handled by very highly skilled people. The operations could be broken down into phases which could be capably handled by unskilled labor.

"There were two or three operations before the firing. In between, of course, there was a lot of handling — transferring from one operation to another — and I felt that here one did not have to have experience as a potter particularly. It was just a matter of applying a little logic in your own plant to overcome the business of moving the merchandise too often."

The term "breaking down an operation" is misleading. It would be more truthful to say that the system employed at the

Jack Browne: What is logical?

Collingwood plant is to make one operator do a complete operation where other potteries will employ a number, each to do a part of the operation.

The matter of putting a transfer on a plate can employ from seven to sixteen girls in some plants, depending on the equipment being used. At Collingwood, one operator does the whole operation.

At first glance this may seem a retrograde step in this world of automation—but there are advantages. Where a team works on an operation, the speed of that crew must depend on the speed of the slowest girl. Further, in a team each is dependent on the other for the size of the pay packet.

When the team is a one-girl affair, the speed of the operation and the size of the paypacket is dependent on the operator only. There is a greater incentive for the operator to try to improve her work.

The usual method of applying a gold line on a dinner plate is by a semi-automatic machine requiring four or five girls to operate. The man with the logical approach had his solution.

"Very often it is not practical to run that machine at all times—you don't have the production for it. Whether you do or not, you have a huge investment in a machine of that kind, and when we considered putting gold lines on the edge of our dinnerware, we sat down to think how it could be done the cheapest way.

"We resolved the problem by going out and buying used gramophone motors that turned at 78 rpm—and we paid $7.50 apiece for them. The girl sets a plate on the turn table; with her right hand she rolls a roller along a piece of plate glass on which is the gold—and then she merely holds the roller against the edge of the plate as it turns.

"We have found that the speed with which these girls put on the gold line is about twenty per cent greater than the speed attained by any of the monster machines put in by potteries. In this one operation we have cut our labor cost down to probably one half of what anyone else's is."

Jack Browne makes no claim to being cleverer than his competitors but rather points to the fact that the majority of them are handicapped by union restrictions.

"These other factories around the world are well aware of how to save the time, but they are confined by union restrictions."

He cites the case of a large American pottery which created a machine that eliminated fourteen girls. The machine cost $50,000 and required only two girls instead of sixteen previously to operate it. The union insisted that a man who had also been one of the crew previously should be retained. The man's sole function was to put a little gold paint into a hopper every hour—at the rate of $3 per hour.

"In our particular plant we have no union problems. We just go ahead and do these things. We are very fortunate — and probably that is the secret of our whole success. We have just done what common sense has dictated all the way through to save time and labor."

Unions have tried to organize the Collingwood plant but there is little incentive for the workers to join in view of the fact that they, as employees, have the benefit of a profit sharing plan and a comprehensive insurance scheme.

"We go on the assumption that we are underpaying our help to the extent of ten, fifteen or twenty percent in terms of our expected profit. Each pay day we deposit that amount in a separate account. By November, when we have a fairly good picture of how the year's operation has progressed, we have that amount on hand.

"If we find we have deposited too much

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DOMINION

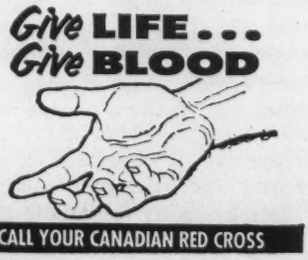
DIVIDEND No. 110

Notice is hereby given that a dividend of thirty-one and one quarter (31¼) cents per share has been declared on the outstanding common shares of Dominion Stores Limited payable September 15, 1959, to shareholders of record at the close of business on August 17, 1959.

By Order of the Board

N. H. SHAW
Secretary

Dated at Toronto, June 16, 1959.



then we take a little of it back. Usually we find we have deposited the right amount to give the employees a 50-50 break on the profits."

Tradition has played no part in the company's development.

"Before we could build a factory to make our own china, we felt we had to come up with a method of making it entirely different from the way it has been made for the past four or five thousand years. Clay is such a variable material that a lot of difficulties present themselves when you try to work with it.

"I think you have to get right back to what you are going to make your china from. It doesn't have to be clay. Clay is merely decomposed rock and there are a thousand different kinds of rock in the world. Our idea is to make our china body out of material before it becomes clay, before it inherits the unstable qualities. We have got to get our material in a constant state, regardless of heat or cold.

"We have found a combination of materials which will produce this result and, to give you an idea how revolutionary this is going to be around the world, let me remind you that the first stage of making the biscuit necessitates the firing of the clay for not less than 48 hours at a very high temperature.

"This is the stage we have beaten. We have got a material now that is used in a somewhat different way. It is ninety per cent the same as today's body, but we are using the material before it becomes clay.

"We are using pulverized rock and we have invented a machine that will use this material in a dry form to make the plate. Instead of being fired for 48-72 hours, it is fired in less than twenty minutes.

"The ensuing result is a more durable and stronger basic body than we have in the best bone china. We have proved all this; we have it now."

Within the next five years Jack Browne will be manufacturing a radically new product. It will be possible to sell it, in Jack Browne's estimation, at a third of the cost of china.

"This is something which it would be foolish to do. There is no need for it. What we would attempt to do in our own plant is to keep just as many people employed as we do now; we would probably get down to a 28-hour week—which I think is the coming thing anyway—and they would all get as much or more salaries or wages as they are getting today.

"Whereas our inventiveness has resulted in a product with which we could undersell the world, we'll get approximately the same price as we are getting today and we will use the difference—that cushion we have—to improve our labor conditions."

CADC: Recovering Money for the Taxpayer

by R.U. Mahaffy

A CROWN COMPANY handles the strangest assortment of goods on earth. This company may be handling a deal in the Arctic Islands one day, and another one at a Canadian Embassy abroad the next. It may sell 300 tons of scrap metal, a ship at the bottom of the St. Lawrence; oil rights under government buildings; a used coffin; false teeth; 100-year-old oak timbers at the bottom of a canal — almost anything you can think of.

Yet this company has no warehouses, can and does refuse to sell to the lowest bidder, and is able to operate well within its statutory allocation of 10 per cent of net sales. It has no counterpart in private business.

The company is Crown Assets Disposal Corporation. It was set up before the end of World War II to tackle "the huge job of disposal (in the words of Hon. C. D. Howe) which will follow the end of hostilities". Until 1949 it was known as War Assets Corporation.

In a sense, Crown Assets is unique in the world today. Closest thing to it is found in France and Belgium. But the organization in these countries take physical custody of surpluses. CADC did too until 1948. It maintained 55 warehouses all over the country and had a total payroll of 10,300. Now, offices are maintained at Ottawa, Halifax, Toronto, Calgary and Vancouver and staff numbers 115.

The U.S. War Assets Administration is similar in set-up. Actually, however, the Canadian organization was born a few months before; and, on the authority of C. D. Howe, the machinery in the U.S. followed closely the practice established in Canada earlier.

Just what is Crown Assets Disposal Corporation? It is the disposal agency for surplus assets of government departments, boards and commissions. It has sold motor cars, furniture and real estate at Canadian Embassies, surplus goods at the Brussels International Exposition, and a crashed aircraft at Isachsen on Ellef Ringnes Island in the Arctic.

It may "sell, exchange, lease, lend or otherwise dispose of . . . surplus Crown assets". It may "hold, manage, operate, finish, assemble, store, transport, repair, maintain and service" such assets. And it can approve the transfer of surplus Crown assets among government departments.

In carrying out these operations, Crown Assets has to keep two main objectives in mind: to control the flow of surpluses to avoid unfair competition with private business; and to recover for the taxpayer the largest possible cash return. The first objective is not the colossal task it was right after World War II. As for the second, a total of approximately $531 million has been realized on sale of surplus goods since 1944 of which about $450 million has been paid into the consolidated revenue fund of the Dominion Government.

The corporation has had to operate in a sort of "gold-fish bowl"—to use the words of a Bernard Baruch report to the U.S. Government on war surplus disposal. Several hundred questions have appeared on the House of Commons order paper over the past 15 years, dealing with everything from scrap metal to rayon slips.

So far, these questions have failed to disclose any sinister connection between sales of surplus arms and international gun-running operations to revolution-torn Latin America or warring Middle or Far East nations.

For example, when Davie Fulton was sitting in the Opposition in 1953 he asked about 2,364 revolvers sold to an Ottawa firm for $22,458 or $9.41 apiece. It turned out that these were obsolete revolvers of Smith and Weston and Colt makes, including .455 calibre side-arms not in use since the Boer War.

Since these revolvers were of no use to Canada's armed services, nor police and protective organizations, they were sold to an approved agency in the U.S. Most of the Boer War models probably went to gun collectors in the States.

The point is, in this transaction — or the sale of Browning machine guns in the same year — the utmost precautions were taken to prevent such arms falling into undesirable hands. First, the Ottawa firm had to get a certificate from the RCMP to trade in small arms. Then the firm had to get an export permit. The U.S. State Department was advised, and if the arms should have been moved out of that country, another export permit would have been required.

Hence, informed Ottawa sources say, the only way revolutionaries can get guns is to smuggle them out of the country, picking them up in small lots and varying vintage here and there.

Bus such sales have never constituted any significant proportion of Crown Assets business. One of the biggest deals was the disposal in 1950 of 58 Park Steamship Company 10,000-ton cargo vessels. The crown-owned steamship company acted as CADC's agent in this transaction.

In 1952 the corporation undertook the sale of U.S. Government assets in Canada. These sales soared to $829,968 in the last fiscal year, a 66 percent jump in a year, due to the termination of construction on the Dew Line.

Canadian aviation companies which started after World War II owe their existence to cheap aircraft made available by Crown Assets Disposal Corporation. Such aircraft sales have practically dried up—unless you want a used jet.

New industries have got their start in plants sold by Crown Assets on a long-term mortgage basis—at least 100 plants having been disposed of on such terms. For expansion purposes, Canadair Limited in 1957 paid $1,500,000 for the former Noorduyn plant at Cartierville.

Crown Assets business has followed four well-marked cycles. It climbed after World War II to a peak of $218 million. Then it tapered off in 1950. The end of the Korean War brought termination of defence contracts which resulted in a resurgence of the plant clearance disposal program. Then business fell again. Since 1952 it has been on the upgrade, with the work of supervising Defence Production Department disposals of scrap and waste continuing to grow.

How are sales of surplus government assets carried out? First, the corporation maintains comprehensive mailing lists of firms who express an interest in certain types of goods. These are classified by type of materials and the nature of the business of the applicant.

Then, when goods are declared surplus by a government department, these firms are invited to bid. Such invitations must be acknowledged on penalty of being dropped from the mailing list after five solicitations. In addition, surplus goods are advertised widely.

Crown Assets sells in wholesale lots at the going market price, largely through established trade channels. But an individual may buy real estate, aircraft, ships or other items of high unit value direct.

CADC does not necessarily sell to the highest bidder. If the offer is unreasonably low, it may ask for a re-offer or may attempt to negotiate a price with the highest bidder. Firms within 10 percent of the highest bid are given an opportunity to bid on re-offers.

Priority is given to government departments, educational and scientific institutions, and hospitals.

Inflation

CONTINUED FROM PAGE 24

stood. Moreover this tonnage, 2½ times as great as that produced in 1946, was turned out by only 1/3 more (33.63%) production workers in 1956; each man-hour produced 88% more steel.

As the Kefauver report suggests was the case in the U.S., so also in Canada the wage cost of production *per ton* has not risen very much, and at some points may have actually declined. The average pay per hour has gone up 136.5% over the decade, but at the same time production per hour has gone up 88% over 1946.

What this means in practical terms is that, as Galbraith suggests, Big Steel has repeatedly made "the occasion of a wage increase the opportunity for a rather larger increase in prices and company revenues".

According to economic theory, wage increases may be made up to the percentage of productivity increase without reducing management's percentage of profit or making price rises necessary (or defensible). This assumes that other costs remain static. And this goes only for management's *percentage of profit,* not its *net profit.* Its net profit could be maintained in case of steel even if labor got over twice the amount of the productivity increase for the year, because labor accounts for only 20.0% of the selling price of those extra tons of steel whereas operating profit is a bit more than that.

No one will seriously suggest that "Big Steel" give the whole 100% profit from productivity increase to labor, but the fact remains that it *could* do so and not lose net profit—only percentage profit —profit per ton.

But 100% aside, has labor received even an 88% increase in real wages? This, mind you, could be done without raising prices or reducing percentage profit. Labor has not received even this increase. The increase in real wages over the decade was not 88% but 55%, and yet steel prices went up 77.1% during the 1946-1956 decade.

Steel prices went up 77.1%, and because of this price rise, combined with the great productivity increase, steel operating profits went up 767.7% on 2½ times as much steel.

This, then, is "administered pricing" in a non-competitive area.

Unfortunately steel enters in a basic fashion into almost every other area of the economy as a raw material, and the inflated administered steel price enters into the increased cost of millions of other items. As each manufacturer, each wholesaler, each retailer takes his percentage "mark-up" on the cost of the item the inflationary pressure of artificially raised, non-competition-enforced, steel prices pyramids and grows.

Here, then, is one of the primary roots of inflation, administered prices—particularly in basic industry.

Someone by now is thinking: "I own some steel stocks and it's sure not paying off 767.7% more than it did in 1946 . . . what happened?"

The administered-price complex continues to pay its stockholders at about the same rate as ever, it wants to keep the stock strong and its credit good, but it does not especially want to raise the stock sky high or to sell more right now. Indeed its increasing cash reserves and corporate worth sometimes *do* push the stock further up than is comfortable; one steel stock is now so high that it pays about 2% on trading price.

This high price puts nothing into the corporation's pocket; any increase goes to stockholders who sell out. On the contrary, its stock begins to be an outmoded method of corporate finance as, indeed, is bond issuing. The administered-price industry establishes sinking funds, capital reserves, amortization pools and so on and creates its *own* borrowably usable capital pool. It comes to have less and less need for banks, or bond issues or new stock issues; *it has the money on hand!*

In this way the government's fiscal policy, with its attempts to loosen or tighten credit, as Galbraith, again, points out in "The Affluent Society", comes to have little or no effect on the great oligopolies. Tight credit halts the home builder, the small manufacturer, but the olipololy simply liquidates a part of its capital reserve and goes on bidding up prices in a too-much-credit situation.

And this is the second Root of Inflation, the Capital Reserve of the oligopoly which is not subject to government fiscal policy or the credit restrictions of a tight money policy at a time of inflation threat.

At the same time this "capital reserve" of the oligopoly, if it is to be in readily available form cannot be committed to long term new investment outside the complex—in long-term bonds, for instance, and therefore it increases the already great pressures in the short term and semi-speculative markets. In addition, as already suggested, capital reserve growth in the oligopoly creates a situation of rapidly increasing net worth for a corporation and makes speculation in its stocks increasingly attractive even though its payments to stock holders may not have increased either in proportion to new net worth or to new net income.

Because the company, by creating capital reserve, represents an increasingly greater capitalization per share, the stock becomes more prized and is bid up even higher in trading. Eventually this high level of trading price is likely to create an urgency to raise dividends so that they bear some competitive equality, on the basis of the inflated trading price, to other investments.

This sort of short term speculative investment adds no new capital resources to Canadian business, but on the contary represents a shuffling of dollars, on a rising scale, among short term speculators. This speculation the oligopoly encourages both itself (for its own reserve) and by so increasing its net worth as to attract speculators to its stock.

And this is the third root of inflation—speculative pressure.

Our inflation is not a goods shortage inflation. On the contrary, people were unemployed because of a goods surplus, because of unbought over-inventories.

It is not too much money in the hands of consumers bidding for too few goods which creates this pressure; it is rather too much liquid, short term speculative capital in the hands of investors. This speculation bids up stock trading prices and, even more importantly, land prices, because there is an *investment opportunities* shortage, not a *goods* shortage.

For this reason, greater incomes in the hands of low-income families, where income is spent almost at once, that is to say raised wages, would contribute little inflationary pressure and *would* create more business and more employment. A reduction in capital formation on the other hand, would reduce the speculative money supply and inhibit speculation on stocks and on land parcels. Painful though the prospect may be for stockholders to contemplate, higher wages are required to "buy back" more of the national product, but more dividends only increase the investment shortage problem and the inflationary pressures this exerts.

If the Federal Government seriously intends anti-inflationary measures, the repetition of pious exhortation for capital and labor to "hold the line" is far from adequate. A Royal Commission or a Parliamentary Committee on Prices, with especial attention to non-competitive administered prices is a necessity.

Since it is manifest that the Bank of Canada fiscal control is no more effective on the Capital Reserves of Oligopolies than is competition pressure on their pricing policies, the Bank should be authorized at once to launch a searching examination of the role of oligopoly reserves in Corporate expansion. It should be requested to formulate a programme of legislation to permit some sort of fiscal control by the government on the use of these funds for capital expansion.

We can never stop inflation dead in its tracks, not in an expanding economy, but we can do more than call out "hold the line". It is the responsibility of the Canadian public to insist that its government face the real issues and formulate more adequate responses. Our economic survival is at stake.

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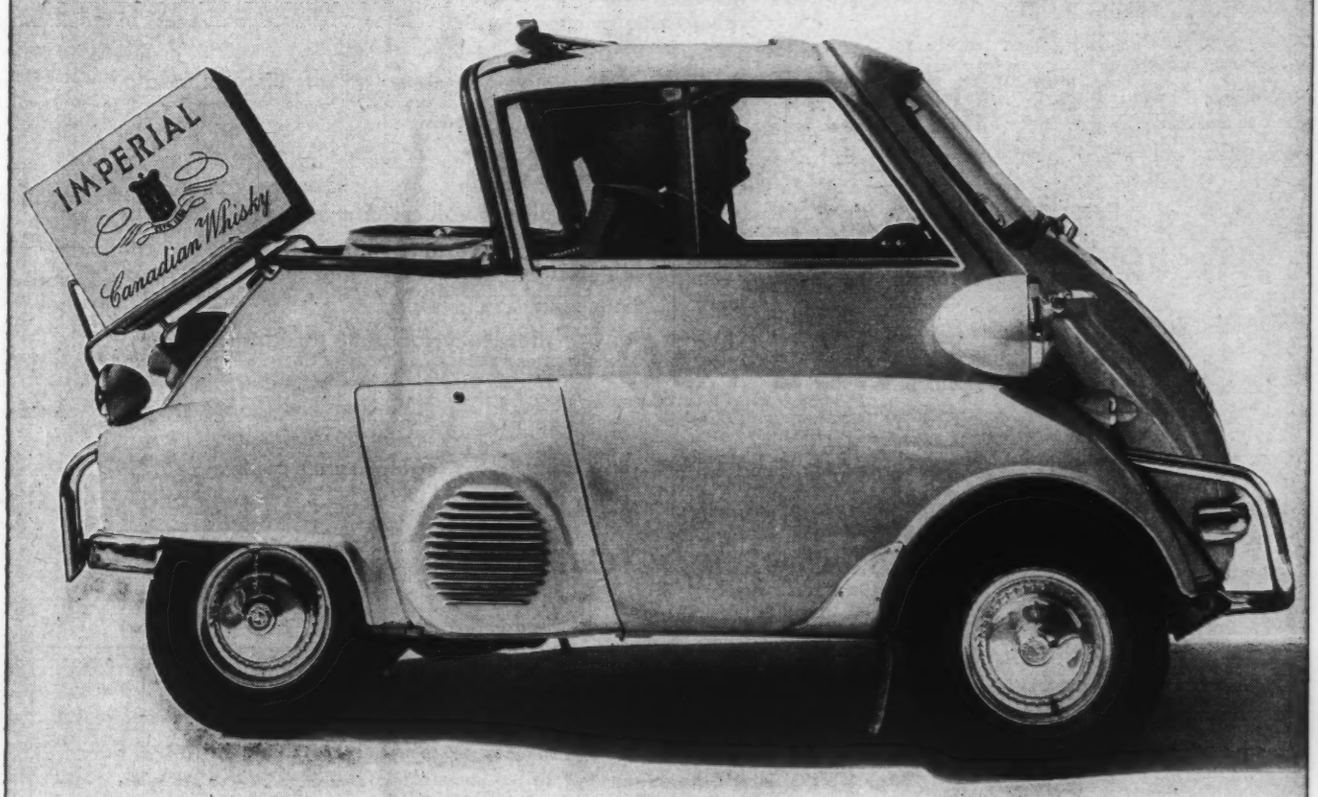

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Poland

CONTINUED FROM PAGE 11

1946 and 1949. Both these encompassing events placed the needy Poles, our wartime allies, beyond the reach of the large American direct and indirect aid schemes to Europe which began with the Marshall Plan in June 1947.

And though Poland in 1958-59 is receiving about $100 millions worth of wheat from the U.S.A., payable in local currency, without the immense Moscow-dominated efforts at reconstruction carried out with Polish help, Poland's industries would still be in the formative state in which the invasion of 1939 caught them. The Russians, of course, know this.

They also know that this proud race would have been unable to hold up its head in world trade against nearby competing nations such as West Germany, or even against competing member nations of the Communist bloc, such as Hungary and Czechoslovakia, without their aid

By the beginning of this year, Poland had built nearly 500,000 tons of merchant ships from seven shipyards which were in 100% ruins in 1945. Some of these yards were Polish, but most of them, like Szczecin (the pre-war Stettin), were taken from Germany. *Trybuna Ludu,* the Polish *Pravda,* recently reported that the percentage of Polish export represented by the all-important heavy machinery and machine tool industry, rose from 13.0% of total exports in 1955 to 26.9% of the total in 1958. Farm products exports, on the other hand, the major pre-war export, have remained at a steady 15% since the start of the current Five Year Plan.

In 1938, Poland produced less than 2 million tons of steel. By the early 1960's, the Soviet-equipped steel operation at Nowa Huta will turn out about 7,700,000 tons of steel, about the same as Canada produced last year.

In short, Russian direction, but a great deal of initial Polish willingness to cooperate in rebuilding a wrecked nation, has made Poland the leading industrial nation of the Iron Curtain bloc. It is even a major exporter of capital goods to underdeveloped, non-Communist areas of the world. For example, CEKOP, a state-run export organization, recently shipped and installed a complete sugar-beet refining mill in Egypt.

How about the Polish consumer in the face of all this activity? In a nation where he takes the brunt of shortages in a re-directed economy, and where the daily course of living is a dreary, endless grind of housing shortages, low wages, with few family essentials such as automobiles, appliances and good clothing, there are, paradoxically, some compensations from the present momentum of Polish industry. There is, for example, plenty of coffee from Brazil in Poland today, a result of a barter deal with that country for needed Polish machine tools. The Polish man-in-the-street who hasn't the money to buy expensive Western consumer goods (an unspectacular pair of Western ladies' pumps is advertised at $8 a pair, nylon stockings at about $3 a pair and British gin at $18 a bottle), can nevertheless buy cheap, but tasty and useful Chinese canned goods, such as pineapple, or even cleanser. The cans which I saw of these two commodities were marked National Foodstuffs Export Corporation, Canton.

Nevertheless the perplexed, hard-pressed Poles, who have no way of comparing their meagre consumer market, or the hectic and arbitrary, state-directed release of new food and clothing necessities, with the sophisticated North American consumer goods market, must take what the system offers them, or nothing at all. Compared to the chronically bare cupboards of the Stalinist years, the incredibly bad apartments, many of them often side-by-side with large government office buildings, perhaps too large to hold even all the Polish bureaucrats, today's developments are accepted as improvements by many Poles.

Poland's shipbuilding, a first rate, efficient, prestige-oriented, heavy industry, points up the Polish dilemma more than any other.

Even if the Russians had not come to Poland, a major postwar goal of the country would have included the shift of Polish boundaries at Germany's expense to permit the creation of a shipbuilding industry. Today, Poland's several hundred miles of sea coast gives her a successful industry, has made her the eleventh largest shipbuilder. But there is an irony in all this. This particular industry which pre-war Poland longed for more than any other, a longing based on Poland's centuries-long sea tradition in peace and war, must be used principally to supply Russia, a nation which she has often despised and against whom she has often fought. Nor is this all.

Before 1939, 65% of Poland's exports left the country by sea when the country had few ports and no shipyards. Now, when the country is at last a substantial shipbuilder, less than 30% of Polish exports are sea-borne: they are shipped by land within the Soviet bloc and to the USSR.

Moreover, Russian dominance of this industry hits Poles all the harder because of control over both the raw materials and end products. The Russians control the selling price of the finished commodity—the completed merchant ship—as they do the cost of raw material to make the steel—the iron ore. (Most Polish iron ore must be imported from Russia. Most Polish ships are sold to Russia). The Russians "permit" the Poles to make a "profit" on each ship sale. But since this is only in zlotys convertible to rubles, not Western currencies, it cannot be used by the Poles to buy needed equipment in the West. It can only go back into the Iron Curtain Bloc to buy whatever needed equipment the other Communist nations can supply to Poland. On the basis of this price structure, the Poles are able to sell a small number of their excellent ships at low cost to eager Western customers, such as deep-sea trawlers to the United Kingdom and dry cargo freighters to Brazil.

Because the nation's progress is tied up in this manner with the USSR, I can see no Tito-style deviation coming in People's Poland. Though the intellectual has new-found freedom and though he can have it for some time to come, whatever prosperity the Polish consumer can hope for, begins with the Polish economy's ability to meet Soviet bloc needs and then to restore the vital, but shattered pre-war Western markets. These, are the Gomulka regime's longterm major concerns.

On the other hand, it makes sense that where Hungary's revolution of November 1956 began with the literary clubs of intellectuals, Poland's revolt began with ship engine workers in the Cegielski Plant at Poznan, one of the regime's most efficient operations. Not only did the workers walk off the job, but the revolt also represented the grievances of the managers, engineers and even many directors which sparked the Poznan riots, which have led to the present so-called "Polish thaw."

Such a revolt emanating from this relatively pampered class of the regime has seemed to many experts to be a contradiction of heavy industry's captive status with the USSR and with Communist goals. To a Pole, however, patience to gain one's ends is a virtue which must be practiced again and again. So it was in the Nineteenth Century, when the 1830's and 1860's were laced with Polish political upheavals against the Russian Czars. None was successful. Polish political independence against Imperial Russia came only in the chaos of World War I. Polish economic independence of the USSR will be a long time coming too.

"Why must we rebuild our country every 25 years?" a Polish engineer asked me. "Without the Russians with all their faults, there would have been nothing. With us Poles, you know, blood is thicker than water. That is why I stay to rebuild. Who knows what will come next? Anyway, conditions can't ever be as bad again as they were under Stalin. We must always look for improvements."

Foreign Policy

CONTINUED FROM PAGE 13

until the whole had been mapped and fitted into a pattern of legal boundaries dividing the continent.

For the last sixty years a new phase has emerged slowly, and now critically, namely the methods by which we share and jointly manage a common continent where markets, resources and defences provided a network of interest growing increasingly more complex and, for Canada, more important than any other relationships. Out of this phase have come specific difficulties with some more or less adequate approaches involving boundary waters, fisheries, Arctic sovereignty, investment and subsidiaries, United States markets for newsprint, petroleum, base metals, agricultural products and finally that most sensitive of all our sovereign nerves, the common defence of North America.

Whatever conclusions are reached in these Canadian-United States matters they are likely to point toward greater rather than less intertwining — but qualified always by the search for a basis upon which a truly independent Canadian life on this continent can be continued despite the massive cultural, strategic and economic impact of an outsize neighbour.

In the UN Mr. Green might find it opportune for himself (or some able deputy) to restore the reputation for "brokerage" and initiative that once gave us so firm a standing in those circles. In NATO there is scope for greater insistence upon economic as well as political consultation, particularly in the light of the market fracturing of Europe that may be a by-product for the moment of the Community of Six and the new recalcitrance of France seeking restored glory and membership in the nuclear club.

The Commonwealth provides less scope for creative efforts except perhaps for intensifying our capital and technical support and student exchanges within the Colombo Plan and for always being available with our good offices when the sister members find themselves with intra-Commonwealth conflicts that may be resolved without going outside the family. In the Middle East and the Far East we have had specific experiences with UNEF and with UNTSO together with our role in Indo-China and these ought to be put to continuing use by us in the sense that we have special claims upon international opinion searching for peacekeeping devices because of these truce and policing lessons, and our known goodwill.

Then, too, we should be in the very forefront of efforts to capture the trust of Asian and African peoples searching after status and wellbeing. Finally, we should be exploring with other states the possibility of a greater recourse to the International Court of Justice for the settlement of juridically appropriate disputes—a course which now is attracting United States support with a real possibility of important changes in the United States reservations to the optional clause, Article 36, of the Statute of the Court.

There is no easy road for a new Minister in this "glamorous" and demanding portfolio. His first statement on policy and programmes to the House of Commons came in the course of introducing his estimates; but that review of the many details of our affairs, while helpful, was perhaps a premature burden on the new Minister who might instead have talked more generally about the main ideas, and those of his colleagues, underlying their approach to our external affairs.

Mr. Green has a department filled with young talent but somewhat short of senior leadership for the moment—Norman Robertson and Arnold Heeney are almost alone among the old "pros" left from the great days. George Drew was a powerful acquisition for London but the Department needs new strength, fresh personnel policies and a general study of its methods of rotation and the limited expertise in many fields that often is the result of the rotation practice. Howard Green's reputation for doing his home work, plus his integrity, humility and humor are first class assets. It remains to be seen how well he can convert a heretofor essentially domestic point of view and experience into the leadership required for the best utilisation of Canadian credentials abroad.

Malta

CONTINUED FROM PAGE 15

armor in the world.

The capital Valetta, built by Grand Master La Vallette after the epic siege of 1565 by the Turks, is in the words of Sir Walter Scott "a splendid town quite like a dream", rising literally and majestically from the water's edge to a height of over 200 feet dominating Malta's historic Grand Harbor, the finest natural harbor in Europe. Medina, seven miles away from Valetta, is the old capital—an ancient, picturesque, silent city, typical mediaeval town surrounded by a set of formidible bastions dating from Arabic times.

Malta's deeply indented coastline is a swimmer's paradise. There is a beach available, a stone's throw away from any hotel on the island. The crystal clear and placid waters around the shores attract numerous under-water enthusiasts, whether they are vigorous schnorklers, keen camera hunters, or passive explorers.

Hotels on the Island range from the exclusive to the family type at prices to suit all budgets. A first-class hotel charges $7.50 for a single person American Plan. The average charge for other hotels ranges between $3.50 to $5.50 per person American Plan. Most of the establishments offer a variety of cuisines — English, Continental and Maltese.

Malta is well served by air, sea and land connections. Travellers from North America can connect with daily flights to Malta in London or Rome.

The New West

CONTINUED FROM PAGE 9

haven't been reading your Bible lately."

He fished a Bible out of his pocket and read the commandment concerning the seventh day. "Thou shalt not do any work, thou, nor thy man-servant nor thy maid-servant, nor thy cattle—" He looked stern. "And yet, Father, every sabbath day you drive that poor old horse of yours ten miles over to the next settlement."

A month later, after a few lessons, Father was driving a large black Cadillac to his church services, and six months later there were nine equally large Cadillacs, all as black as night, owned in that community.

But the process of making a national entity with a common purpose out of the Canadian West is a tedious one. It is far from agreed on how best to exert its growing influence within Canada, much less on whether or not secession is desirable, or merely an increased autonomy. Going contrary to the trend toward considering prairie interests first, last and all the time is the effort of CCF leaders to organize a national third party on a basis of farmer-labor sympathy.

Unfortunately for their plan, the farmers and small business men of the West are apt to distrust organized labor, and are often more ready to work for regional advantage than to join any such national movement. Neither CCF nor Social Credit could ever sink their enmities to unite in a prairie bloc, while obviously the able young Premier of Manitoba is more interested in getting in line to succeed Mr. Diefenbaker than in leading a prairie revolt.

There is, then, no immediately visible leader for the widespread discontent. The farmers are sick of the old parties, but have not yet determined their political course. Diefenbaker's formula for resisting American financial and political domination is to strengthen the Commonwealth ties. But in the West "Canada for Canadians" is a more attractive slogan. There on those wide and wealthy acres are present in rudimentary form all the factors which in time bid fair to make a new autonomous region within Canada, as powerful as Quebec, and likely to change the whole economic and political scene.

The Tories

CONTINUED FROM PAGE 17

The Tory position was also damaged by the behavior of many of their members on the Commons committee on broadcasting. London Tory MP George Halpenny headed this committee ably but many other Tory members, probably in their eagerness to grab a headline, fired off half-cocked charges during the inquiry into operations of the Canadian Broadcasting Corporation. The widely-drawn conclusion was that the Tory majority on the committee was extremely hostile to the CBC. This, combined with the persistent, if unproved, charge that Prime Minister Diefenbaker himself had put pressure on the corporation and had threatened to fire some of its top executives, created the general impression that the Tory Government was out to wreck the CBC.

While the general public may often criticize particular CBC programs and gripe about its cost, there is tremendous national pride in the public-owned network and widespread conviction that the unique Canadian radio-TV system is as good or better than any country's. Thus the Tories were bound to suffer by being maneuvered into the position of hostility toward this Canadian institution.

All these unfavorable moves by the government during the past six months could have been counteracted to some extent by solid legislative accomplishment. But most of the Tories' efforts through the session were devoted to amending, patching and trying to improve existing laws (e.g. export credit, unemployment insurance, farm loans) that had been initiated by their more creative Liberal predecessors. The whole session passed wihtout a single item of imaginative new Tory legislation.

Some of the party's enthusiasts attempted to peddle the idea that the National Energy Board Act, the Tories' proudest achievement during the session, was a new and ingenious movement. The truth was that the act embodied hardly any new principle that was not already spelled out in existing legislation; about all the new law did was to bring these scattered regulations of energy resources together in one legal package and hand over the management of it to the newly-created National Energy Board. Far from producing any advantages for the country or the energy industries, this Tory legislation so far has had just the opposite effect.

The Petroleum industry, for one example, was stalled for nearly two years while the Tories contemplated the proposed bill, pondering and finally rejecting the ideas of the Tory-appointed Royal Commission on Energy, headed by Toronto Industrialist Robert Borden. Even after the bill's passage, the government-induced depression in the once-prosperous oil industry continued; Ottawa still could not make up its mind about appointments to the Energy Board. Until these were made, there could be no decisions made on oil development.

This whole sad performance by the Tory Government was obviously drawing the reaction it deserved from the electorate. The last Gallup Poll showed a sharp fall-off in support for the Diefenbaker Government clear across the country. Another barometer was the editorial reaction in the Canadian press. At the session's start, most of the nation's newspapers, with the exception of such Liberal diehards as the Toronto *Star*, were favorably disposed toward the Tories. At the end, practically all the neutral press was carping at the government and even such true-blue Tory organs as the Toronto *Globe and Mail* and the Calgary *Herald* were beginning to tee off on John Diefenbaker.

These hard Tory times should have presented the opposition parties with an opportunity to make substantial gains. But it was a question whether they took full advantage of it. Liberal Leader Lester Pearson worked hard during the session, crammed himself with background on domestic problems and tried to make up for his almost-exclusive concentration on foreign affairs through his long career as a diplomat. The Pearson effort paid off in good speeches, searching questions and solid ideas. But the Liberal chieftain got few headlines and generally failed to get across the idea that he was a fighting match for Old Pol Diefenbaker. Many of the more practical politicians in Pearson's party still feared that Mike Pearson might become a Canadian Adlai Stevenson, widely admired for his intellectual powers, but lacking the popular touch that a party leader needs to win elections.

It was a perfunctory session for the CCF party. House Leader Hazen Argue's small group of socialist members worked hard to make its presence felt in the house and managed to expound a CCF line on most issues. But the prospect that their party will soon be swallowed up in the proposed formation of a new left-wing movement with the Canadian Congress of Labor blunted the CCFers' enthusiasm and the party seemed to make no appreciable gain.

This session was the second of the 24th Parliament. Barring some extraordinary development, the Diefenbaker Government will work through at least two more sessions before it faces the voters in a new election. So there is still ample time for the administration to amend its bumbling ways, restore some of the prestige lost during the past six months and retain a large part of the tremendous confidence vested in John Diefenbaker and his party by the Canadian voters little more than a year ago.

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RECIPE
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PIMM'S No.1 CUP
PIMM'S NO. 1 CUP (GIN BASE)
NO. 5 CUP (RYE BASE)

THE ROYAL BANK OF CANADA

Dividend No. 288

Notice is hereby given that a dividend at the rate of **fifty cents (50¢) per share** upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the 1st day of September, 1959, to shareholders of record at the close of business on the 31st day of July, 1959.

By order of the Board.
K. M. SEDGEWICK,
General Manager.

Montreal, Que.,
July 14, 1959.

SATURDAY NIGHT
On Sale
Every Second Thursday
20 Cents

Point of View

"Somebody" Up There Likes Me

ONE OF THE MORE CURIOUS manifestations of the religious impulse in our time is the worship of that wonderful, wonderful god, "Somebody". We do have other names for him, but he is best known as "Somebody", probably because of the popularity of that hymn to his honor, *Somebody Up There Likes Me.*

"Somebody" is, indeed, a valuable and versatile deity. He is conspicuously active in the world of sports. After pitching the famous "perfect" baseball game in the World Series a few years ago Don Larsen said that during the game he constantly prayed, "Please help me, Somebody". And, obviously, "Somebody" came through.

Marlene Stewart Streit, "Canada's sweetheart of golf", admitted to a reporter, after she had won the ladies' golf championship of the U.S.A., that "Somebody" had been pretty good to her. Floyd Patterson, after knocking-out Archie Moore to win the heavyweight boxing championship, told the world that "God" had been in his corner. ("God"—that's a rather old-fashioned way of referring to "Somebody", but we all got the point anyway. Mr. Patterson is now perhaps attributing divine qualities to Ingemar Johansson's right hand: how else can one account for what happened?) And we have been told in book and in film about the tremendous liking good old "Somebody" has had for one Rocky Graziano.

But it isn't only in the sports world that "Somebody" has made his benevolent presence known. He has done just about as well in the entertainment world. A splendid instance is in what the movie-actress Jane Russell told a columnist a few years ago: "I love God. And when you get to know Him you find He's a Livin' Doll."

In a magazine article about the eminent New York restauranteur, Toots Shor, there is a touching section on Mr. Shor's faith. He expressed his faith in this way: "I believe in God. I believe every break I get is because the Big Fellow Upstairs is helpin' me. I wouldn't have this joint if He hadn't given me a good deal. I claim the Big Guy just put His arms around me and lifted me. He just lifted me up." When a close friend died Mr. Shor, with deep spirituality, sobbed, "The Big Fellow's shufflin' the cards pretty fast these days". The article also reports that the actor Pat O'Brien cabled Shor from Paris when a mutual friend died, "God must have been lonely. He summoned our friend. Rags will have a pal in Paradise."

In recent years the eager theologians of Tin Pan Alley have been paying appropriate musical and lyrical tribute to "Somebody". Sometimes they call him "He" (as, for example, in the song succinctly titled *He* and in the rousing, roaring *He's Got the Whole World in His Hands*) but we all know that it's good old "Somebody" they have in mind. (In *He* we are told that "it makes Him sad to see the way we live"; but so we'll not be upset we are assured later that "He'll always say, 'I forgive'." That's the nice thing about "Somebody" he's very understanding and he doesn't hold grudges. His easy palsy-walsyness is also proclaimed, rather moistly, in *Crying in the Chapel.*)

Centuries ago Omar Khayyam told his readers (as Fitzgerald has rendered it),

"He's a Good Fellow, and 'twill all be well."

Perhaps man has always been prone to seek a chummy sort of god, a god who provides a bit of comfort from time to time but who never prods man's conscience, never challenges man's good opinion of himself, never judges man's actions. Someone has suggested that this approach to religion is an attempt to sugar-coat the pill of religion — but perhaps it is more accurate to say that it is rather an effort to make the whole pill sugar.

Religion is now quite fashionable in our society — and nearly everyone feels that he must at least do some little thing about it. Of course, one mustn't overdo it — faith does have explosive qualities and one can't be too careful. It seems sensible to keep one's religion vague and undemanding and innocuous.

And this is where good old "Somebody" comes in: he is a very convenient faith-object for the person who wants a nice, safe god. And the whole thing has just that right amount of casual flippancy that goes over so well nowadays. You must use pet names for "Somebody", such as "The Big Fellow" or "The Man Upstairs" or "The Boss Up There"—it's all so very amusing, and it shows that although you are right-minded about religion you aren't a pious stuffed-shirt; it shows that you are a real regular guy having traffic with a real regular God.

What are we to make of this "Somebody" cult? Some religious leaders seem to think that, on the whole and despite its excesses, it is a good thing and shows that religion is getting through to people it has never reached before. And there are others who see it as a great corrupting menace to religion, a menace which must be vigorously fought. But is there any need for anyone to become frothy about it?

The matter should be kept in a proper perspective. Let us be clear that "Somebody" is not the God of the Judaeo-Christian tradition, the God of Holy Scripture. This "Somebody" ploy is basically a matter of trying to escape the demand and the challenge of faith rather than an approach to faith: it is an attempt to make God a gimmick. It is, on the final analysis, simply the worldly wise-guy's way of trying to get on the religion bandwagon and have a few whacks at the drum — and its essential ludicrousness keeps it from being either a support of religion or a menace to it.

J. A. DAVIDSON

Captain Davidson is Protestant Chaplain to the Canadian Army station at Fort Churchill, Manitoba.

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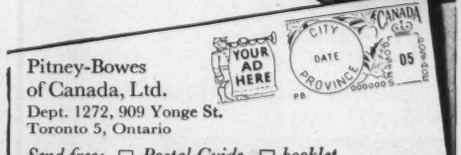

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